

Boston and Maine Railroad Co.

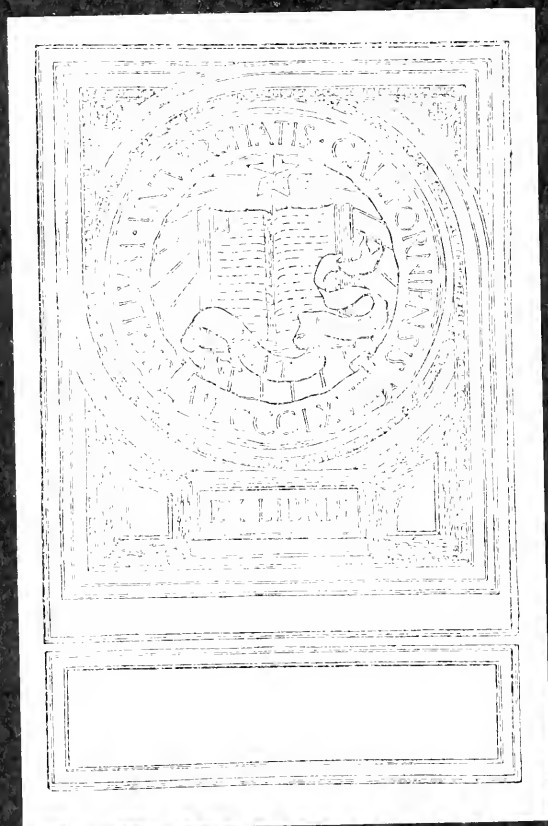
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REPORT

OF THE

MINORITY OF THE DIRECTORS

OF THE

Boston and Maine Railroad,

TO THE

STOCKHOLDERS.

ANNUAL MEETING AT EXETER, N. H.,

SEPTEMBER 10, 1856.

BOSTON:

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J. H. EASTBURN'S PRESS.

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MINORITY REPORT.

To the Stockholders of the Boston and Maine Railroad.

THE undersigned, a minority of the Board of Directors of the Boston and Maine Railroad, believing it to be the duty of Directors to present to you a full and accurate exposition of the affairs of the Company, in order that you may be truly informed of its condition, and how your Trustees have managed its business, and thereby be better enabled to decide what measures should be taken to preserve your property, have not approved the Report made to you by order of a majority of the Directors, but desired you should be notified of our dissent to the same.

At the request of numerous Stockholders, we present to you in this form, our objections to the Majority's Report. We shall point out some of its inaccuracies, and supply some of its deficiencies, and give, as fully as our limits will permit, and prudence may dictate, our views of the position of the Company, with suggestions as to what should be done to advance its interests.

At the last meeting of the Stockholders of this Company, the following Resolutions were passed :

“ *Resolved*, That hereafter, in the Annual Report, the Assets of the Road should be placed in two tables ; one including those assets which are available for the payment of debts of the Corporation ; all other assets to be included in a separate table.

“ *Resolved*, That hereafter, the Schedule of Earnings and Expenses for the year ending May 31st, contained in their Annual Report to the Stockholders, the Directors make a detailed statement, showing the various items of income—running expenses and all other expenses—number of miles respectively run by the passenger, freight, wood, and gravel trains—number of express trains, and where run—number of passengers carried in the cars, and number carried one mile—number of tons of merchandise

carried in the cars, and number carried one mile, distinguishing between that paying freight, and that carried for the use of the Road—and a full exhibit of the motive power and cars.”

By the above, as well as other Resolutions, the Stockholders have expressed their desire for full and accurate reports. We shall, as briefly as the importance of the subjects will allow, give our objections to some of the statements in the Directors’ Report.

It is stated at the commencement of that report, as follows :

“ The accounts of the Treasurer, appended to this report, show the gross earnings, for the last year, to be -	-	\$891,041.95
and the expenses, including some new constructions, for the same time, to be -	-	540,290.51

Making the net earnings	-	-	-	-	<u>\$350,751.44”</u>
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It would appear, by this statement, that our net earnings were the balance as above stated, and that these earnings were not nominal, but real, as it is stated that, after deducting the dividends, *expenses of all kinds*, and depreciation of engines and cars, there is a balance of earnings of \$85,283.10, and this amount is added to a previous amount of unexpended earnings. It is not noted, that these earnings include several thousands of dollars of accrued interest on overdue and failed notes, and amounts due and uncollected, and uncollectable, from connecting roads.

We disapprove, also, of charging many items to the “Surplus” account, which the Stockholders expressly desired, in 1849, should be charged to running expenses.

These items are as follows :

For widening Charles River Bridge, &c.,	-	\$23,209.59
“ new rails and rolling,	-	28,803.72
“ new station buildings,	-	11,870.23
“ grading new side track, in Great Falls,	-	6,715.56
		<u>\$70,599.10</u>

Furthermore, a larger sum than \$6,715.56 should have been included in the expenses for grading new side track in Great

Falls ; an additional amount of \$5,995.38 having been expended for that purpose, which is counted among the available assets as a claim against the Great Falls and Conway Railroad, but which is disputed, and not all collectable.

SURPLUS OR UNEXPENDED EARNINGS.

It is stated on page 4 of the Report that there is a balance of unexpended earnings of \$251,186.06, "which is the accumulation of earnings over dividends, expenses, repairs, and amount charged off for depreciation, and improvements *of all kinds*, from the time the road was *finished* according to the plan, and with the capital, fixed by the votes of the Stockholders in 1849, up to May 31st, 1856."

On the same page, also, a "surplus of \$323,186.16" is mentioned.

By the terms "surplus," or "unexpended earnings," the Stockholder is led to believe that the Company has an amount of money or investments beyond what is wanted for its ordinary use, which may either be employed to provide for liabilities or contingencies, or which might be distributed amongst the Stockholders. This is, then, the unsuspecting Stockholder would suppose, a reserve of money unexpended, or a safe investment of money, which can be appropriated or divided without affecting the working of the Road or its efficiency.

But this is not the case with the Boston and Maine Railroad. We have no unexpended earnings and no surplus account of this character, nor what a practical business man would consider a surplus.

The Stockholders of this Company, in 1849, were earnestly desirous that it should be placed on a solid basis ; that its Capital Stock should represent real value, and should not be liable to be increased by items of Construction Account. Therefore the Stockholders made up their account with the Road, and, providing for land damages and other expenditures chargeable to Capital Stock, declared that all other items should be borne by the earnings of the Road, and should be accounted among its expenses. The Capital Stock had been charged with

large items for the cost of many miles of road which had been discontinued, and, of course, were of little or no worth. Depreciation of the Road was continually happening, and to an amount larger than the amounts paid for repairs. Therefore the Stockholders voted that the Road should be finished, and all future improvements and additions for engines, cars, new depots, or alterations, should be considered as a portion of the expenses of the Road, to be deducted before dividends could be declared ; and Construction Account was ordered to be closed after certain appropriations had been expended for purposes which were designated. After this, the Stockholders voted that "the Directors be authorized to apply the balance of Construction Fund to such improvements as the necessities of the Company may require." Thereupon the Directors charged off certain items of expenditure for improvements to Construction Account. The amounts which have been charged to Construction Account each year, since 1849, will appear by the Schedule in the Appendix, marked No. 1.

In 1854, the amount appropriated by the Investigating Committee for miscellaneous construction items was mostly absorbed, and the Officers of the Road, not wishing to charge to running expenses various items which should, by the Stockholders' orders in 1849, have been placed there, charged certain expenditures to Surplus Account, or Unexpended Earnings, and credited the same to an Account of Engines and Cars ; so that, last year, the amount paid for engines which were necessary for conducting the business of the Road was charged to Surplus Account, and thereby it was made to appear the Corporation had invested a portion of their surplus in cars and engines, when that sum should have been charged to Running Expenses Account, and made to appear among the expenses of the Road. These engines were needed for the use of the Road, and could not be divided among the Stockholders. They did not make good the depreciation of the Road in other particulars ; or, if it should be said they did, the Stockholders had ordered the charge to be made to Expenses, so that the Capital Stock might represent the value of our property. Instead of this, it appears that our property has cost us an additional amount of

\$13,938.15, and that amount swells the cost of the Road and Equipment. It is immaterial whether the amount is charged to Construction, or to another account likewise representing the cost of our Road and Equipment. It is a subterfuge to charge the amount expended for additional cost of the Road and Equipment to any other than Construction Account. The Stockholders intended that the amount of \$4,100,054.52 should be considered the cost of the Road and Equipment, and be represented by Capital Stock of 41,787 shares. They therefore provided, in 1849, by the issue of 6,220 new shares, the means "to complete proposed and unfinished works deemed advisable to have completed, and set the Corporation *free from debt*." At the same time, the following resolution was passed by them :

"*Resolved*, That after the expenditure of the sum received for the aforesaid new stock, and also the sum of \$27,975⁷⁹/₁₀₀ from the assets aforesaid, the Construction Account of the Corporation shall be closed ; and that thereafter the Directors and other officers of the Company are prohibited from contracting any debt to be charged to Capital Stock."

All further charges for additions and improvements were to be deducted from the earnings, and to be a part of the expenses to be paid before any dividend was declared. If this were otherwise, the cost of the Road would be continually increasing, and, instead of making the provision annually from the earnings for these expenditures, what was received for these expenditures would be counted as Capital, and the Road would be increased in cost by such additions ; so that the Stockholders, instead of having the valuation of their property kept down to the mark of its true worth, on which it could pay dividends, would have its valuation improperly increased. By such a system the true amount of their net earnings would not appear, but their net earnings applicable to the payment of dividends would be improperly increased by the amount expended for alterations and improvements,—which should be included in the expenses, and deducted from the earnings, before we could truly know what were the net earnings.

The Stockholders are thus led into error. The sums expended for engines and carried to surplus account do not represent any

true surplus. They represent only what has been paid for certain things required for the ordinary use of the Road, and which should be borne by expenses, under the votes of the Stockholders. The depreciation of the bridges, cars, iron, buildings, &c., is continually taking place, and all the new engines, cars, and other improvements purchased by the Company do not increase the value of our property above its cost to us. Well managed Companies whose roads are finished, have now generally closed their Construction accounts, and carry all improvements to the expenses of the Road. To be sure, by such charges the expenses of Roads appear larger than when such items are carried to Construction account, but the Stockholders have the satisfaction of knowing what are all the expenses, and can then better provide against extravagance in the administration of the Road. They also are assured that the dividends paid are really earned, and cannot be declared until all the expenses for repairs and improvements are deducted. They escape the liability of having a debt unexpectedly sprung upon them, or finding that what they supposed was a reserve, or surplus fund, with which they could meet their funded or other debts, or contingent liabilities, is worthless, or entirely unavailable for such purposes.

We therefore entirely dissent from the reasonings and conclusions contained in the Directors' Report, on pages 9 and 10, as to what was intended by the injunction of the Stockholders that "all repairs of the road and the appurtenances thereto, and all alterations, improvements, and reconstruction of bridges, engines and cars thereafter made be charged to running expenses." No language could be more clearly expressive of the Stockholders' wishes. Such charges were to be made, not to Surplus account, or Unexpended Earnings, or Construction account, or, by any subterfuge, escape from being charged to the Running Expenses. The Committee, immediately in the next sentence after making their recommendation, added, to give effect and weight to it, "Such is the practice of the best managed Railroads, and should be followed by all others."

ASSETS.

The statement in regard to the assets of the Company, would, we think, mislead one into supposing that the balances, as set down in the Directors' Report, represent the true financial position of the Company. It is, in fact, stated on page 4 of the Report, that "the financial condition of the Road is shown as nearly as can be, by the exhibit of its assets and liabilities in Schedule B. of the appendix."

We dissent from this statement, and will proceed to give our reasons therefor.

On referring to this Schedule B. we find the following entry :

Notes Receivable in detail in Schedule P, \$92,466.07

In the Schedule P. there are seven notes of the

Great Falls & Conway Railroad, all long past due and unpaid, (the first being due Sept. 1, 1850), amounting to \$16,155.94. These are secured by the second mortgage bonds of the Great Falls & Conway Railroad, guaranteed by the Eastern Railroad in New Hampshire. The Great Falls & Conway Railroad have not paid to us any part of these notes, or the interest thereon. We do not think these notes or bonds can be made available to pay our present liabilities. We therefore deduct

16,155.94

\$76,310.13

In the same Schedule P, is a note of the Cocheco

Railroad for \$4,477.40, due Sept. 10, 1855.

Our Company has proposed to deduct about \$1,400 from this amount, to effect a settlement, but the Cocheco Railroad claims a set-off which would absorb the entire note. The balance due from the Cocheco Railroad, when ascertained, is good. At present the claim is not available to pay debts, and is therefore to be deducted,

4,477.40

Amount carried forward,

\$71,832.73

<i>Amount brought forward,</i>	\$71,832.73
Three notes of the Newburyport Railroad amounting to \$60,545.55, secured by \$108,000.00 Newburyport R. R. 2d, 3d and 4th mortgage Bonds, and a note of Danvers R. R. on demand for \$3,477.27. We have been informed by the Treasurer that he has been notified the interest will not be paid when it falls due in September. These we class among unavailable assets, -	60,545.55
Deducting, we have a balance of - - -	\$11,287.18
This balance we deem good. The principal part of J. W. Emery and others' notes for \$10,105.33 has been paid since May 31st, and the balance is perfectly good. Though Edward Lamb & Bros.' note for \$681.85 and George & Co.'s notes for \$500, are over due, yet they are deemed good by the Treasurer.	
The next item is	
White Mountain Railroad Bonds, at \$100, - - - - \$ 1,100.00	
These are entirely worthless.	
Newburyport Railroad Bonds, at \$90, \$15,210.00	
These are 4th mortgage Bonds, and wholly unavailable for payment of debts.	
Danvers Railroad Bonds, at \$100, - - - -	58,500.00
These are a portion of the \$125,000 guaranteed by the Boston and Maine Railroad. They are unavailable to pay debts, inasmuch as their value consists in the endorsement by our Company, and the simple obligation of the Boston and Maine Railroad would be more valuable than their endorsement of the Danvers Railroad. Their only value is that our liability as endorsers is reduced by the amount of all we retain.	
In valuing the stock of the Boston and Maine Railroad, we should place it at its market value when the Report was made, viz., 78 per cent.	

<i>Amount carried forward,</i>	\$69,787.18
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<i>Amount brought forward,</i>		\$69,787.18
The par value is	- - - -	\$50,000.00
Less,	- - - -	11,000.00
		<hr/> 39,000.00

The stock was purchased by the Directors when it sold "low in the market," as is stated in their Report for 1854. We have deducted from the valuation \$22 per share, as at the price of \$78 only, is it available for the payment of debts.

Steamboat Daniel Webster stock,

at \$100, - - - - - \$7,500.00

This stock in the boat has been for a long time owned by the Boston and Maine Railroad. The Eastern Railroad hold an equal interest in the boat with our Road, and their stock in this boat is appraised in their Re-

ports, at - - - - - \$5,900.00

It runs in connection with our trains, and cannot be counted as assets available to pay debts, but should be classed with other articles of property necessary for the running of the Road, such as wood, oil, &c. ; but its valuation should be reduced to its real worth. *

Accounts in Solicitor's hand for col-

lection, - - - - - \$3,783.90

We strike out this item, being informed that nothing can probably be realized from them over the costs of collection.

Interest due on notes and accounts,

balance, - - - - - \$6,696.64

Most of this is interest on the Newburyport and Great Falls and Conway Railroads, which will not be paid, and therefore is stricken out from available assets. The Schedule No. 7 of the Appendix will exhibit how this account is made up.

<i>Amount carried forward,</i>	<hr/> \$108,787.18
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<i>Amount brought forward,</i>	\$108,787.18
Line via Lowell, due on "Quintuple Contract,"	6,165.77
This amount is conceded good, although it is in dispute.	
Concord Railroad demand for cost of accident, (in suit,) - - - - -	\$6,223.45
This we consider unavailable.	
Lawrence and Bishop demand on Medford Branch Account, - - - - -	\$8,991.58
This has been many years in suit, and is unavailable.	
"Auditor, Post Office and Rent Bills," - - -	1,959.70
This is good.	
"Rhodes, Oliver, Rugg — defaulting Station Agents," - - - - -	\$2,642.98
Worthless, above costs of collection.	
Great Falls and Conway Railroad demand for costs of changing location, - - -	\$5,995.38
The amount is disputed, and unavailable.	
Danvers Railroad for land damages paid, secured by their bonds, at 85 per cent., - - - - -	9,545.07
These bonds are part of the \$125,000 guarantee, and are only valuable to us to reduce our liability thereon.	
Manchester and Lawrence Railroad, for use of Methuen Branch, &c. - - - - -	11,704.72
There are disputes respecting this amount, as well as the one referred to above, as "Line via Lowell, due on Quintuple Contract," \$6,165.77. On account of these disputes, no settlements have been made since 1854. Most, if not all of this, we trust, may be realized. As we have understood that something might soon be expected from this claim on account, we place it among the available assets.	
Manchester and Lawrence Railroad for balance monthly account, - - - - -	\$3,806.52
<i>Amount carried forward,</i>	<hr/> \$138,162.44

<i>Amount brought forward,</i>	\$138,162.44
There is a set-off to this claim, and payment is refused by that Road. It is unavailable.	
Cocheco Railroad for balance of monthly account, - - - - -	\$4,325.96
There is a set-off to this claim, and payment is refused. It is unavailable.	
Great Falls and Conway Railroad, for balance of monthly account, - - - - -	\$3,069.15
To this, a set-off of about \$500 is claimed.	
Upon that being allowed, the Great Falls and Conway Railroad are willing to pay the balance, and their notes due us for \$16,155.94, with those bonds of theirs guaranteed by the Eastern Railroad in New Hampshire, which we hold as collateral for the notes, if we will take the bonds at par. The bonds being unavailable to pay even the notes, of course are worthless to pay this debt, and therefore this is unavailable.	
Newburyport Railroad for balance of monthly account, - - - - -	\$6,753.04
Not collectable.	
Portsmouth and Concord Railroad, balance of monthly account, - - - - -	334.49
This is good.	
Salem and Lowell Railroad, balance of monthly account, - - - - -	796.30
This is good.	
Lowell and Lawrence Railroad, six months' use of track, &c., - - - - -	1,231.31
This is good.	
Northern R. R., balance of monthly acc't, \$327.15	
Our Treasurer states that a set-off absorbs this claim.	
Balance of sundry monthly bills unsettled, -	142.95
This is supposed to be good.	
<i>Amount carried forward,</i>	<hr/> \$140,667.49

<i>Amount brought forward,</i>	\$140,667.49
Freight bills against Manufacturing Companies, payable monthly, - - - - -	8,169.85
These are good, as our Treasurer informs us.	
Freight Bills for freight not delivered, and for freight payable monthly, and balances due on ticket accounts, - - -	\$21,632.15
Our Treasurer states that these are	
all collectable, less - - - -	2,000.00
We therefore value them at - - - -	19,632.15
Engines and cars not charged in Construction Account, - - - -	\$13,398.15
This amount should have been charged under the Stockholders' votes to Running Expenses. It is very easy to state in the Report the amount paid each year for cars, and which has been charged to expenses, without keeping an ac- count representing property which the Road is obliged to possess, and continually use, and which is always depreciating. Large additions should be made yearly to the Road, and charged to Running Expenses, to make good depre- ciation.	
The wood, oil, waste, stock in car and engine shops, iron rails, ties, lanterns and brushes are not available to pay debts, until the Railroad is abandoned. These amount to \$104,404.06.	
Add Cash on hand, - - - - -	23,997.91
Total, available assets, - - - - -	<u>\$192,467.40</u>

We have prepared Tables, appearing in the Appendix as Schedules 8, 9, and 10, which will explain our subdivision and classification of the items in that part of the Schedule B. of the Directors' Report denominated "Statement of the Assets of the Boston and Maine Railroad, available for the payment of debts of the Corporation May 31, 1856."

In the Schedule of the Appendix marked No. 9, we have placed all the assets of the Directors' Schedule B, which we

think are unavailable to pay debts. Something may be realized from these assets, but we think the cost attending their collection, the injury resulting to the road if coercive measures are resorted to, and the equitable set-offs which exist in many cases, make it very doubtful if, upon the whole, the Corporation can realize more from these claims than sufficient to meet the expenses of collecting or securing them. No business man, in the position of our Company, would regard them as available to pay debts. Moreover, we have carried into Schedule marked No. 8, some assets which will not, perhaps, be available to pay debts to the amount set against them. If more than we expect should be received from the claims &c. stated in Schedule No. 9, the surplus, we are confident, would not more than make good the deficiency in the assets of Schedule No. 8, and provide for excess of liabilities over our estimate of them, as stated in Schedule No. 11.

LIABILITIES.

In giving an account of the Company's liabilities, we refer to the Directors' Report, and take those stated by the Treasurer in his account current, which appear in Schedule B. of that Report, viz: - - - \$183,042.54

From which we deduct, inasmuch as

the amount is included in our liability as endorsers of \$125,000 of the Danvers Railroad bonds, the sum set against Danvers Railroad Sinking Fund, viz: - - - 5,304.50

\$177,738.04

To which we must add the Appropriation to widen the bridge between the draw and the island in Boston, as per vote of Directors, April 26, 1856, for which contracts have been made, - -

21,000.00

At the foot of this Schedule it is stated that we owe the State of Massachusetts, - - -

150,000.00

Also sundry claims, among others, that of Eben Smith, for which we have tendered him, -

40,000.00

This was tendered in 1848. There may be interest to be paid on this, besides a larger

Amount carried forward,

\$388,738.04

<i>Amount brought forward,</i>	\$388,738.04
amount than \$40,000, before we can procure a conveyance. This claim has been for many years in litigation, and we cannot escape paying what we have offered. To that amount it is an ascertained liability.	
Bartlett and Minot's land claim is also a liability for - - - - -	20,000.00
This land is needed for the Road, and the purchase money was provided for it by the Stockholders in 1849, by authorizing the issue of Stock.	
<i>Amount carried forward,</i>	\$408,738.04

N. W. Hazen's Suit.

This is one of the most troublesome cases the Company has. It has been stated that Mr. Hazen claims \$125,000, as damages for past trespasses and for his entire estate of about 28 acres, through which our Road runs about 1100 feet in length, occupying about two acres of land in area. Mr. Hazen has procured judgment against the Road for trespass, and has lately filed in the Supreme Court a bill in the name of the Commonwealth against the Road, requiring us to show cause why we use his land, and to restrain us from so doing. Mr. Hazen says that our Attorney stated to a Committee of the Legislature, that the Company would cheerfully pay \$500,000 for the land if it could not obtain it without Mr. Hazen's consent for a less sum. This statement Mr. Minot explains in his correspondence with Mr. Hazen's counsel, as follows: "I did not say that Mr. Hazen's land was worth \$500,000 to the Railroad. I only said that they could afford to pay that, if there were no other means of connecting their rails or running their trains."

Afterwards, Mr. Minot, with the authority of Mr. Hayward, the President, by letter, offered to negotiate on the basis of giving for the whole land, with or without settling for any trespass, a sum less than \$62,500. Mr. Minot, in another letter under date of Nov. 27, 1855, requests Mr. Hazen's counsel "to answer whether it will be of any use in bringing the matter to an adjustment to offer less than one-half of \$125,000, if our ultimatum is less than \$62,500."

This, Mr. Hazen urges is equivalent to an offer of \$62,500, or a fraction less, for the land, not including the damages for past trespasses.

Mr. Hazen also alleges that at a hearing before the County Commissioners, in December last, Mr. Minot, in the presence of Mr. Hayward, offered \$62,500 for the land. Both Mr. Hayward and Mr. Minot deny that any such offer was made, and their denial is corroborated by some persons, and on the other hand, Mr. Hazen's statement is endorsed by others, present at the hearing. Mr. Hazen's counsel says he received the impression at Lawrence from Mr. Minot, that the Company would pay \$75,000 for the claim, and that Mr. Hazen would not accept it then; and now, the last Legislature refusing to grant our petition for a right of way over his land, he refuses to treat for the land, unless a larger sum is offered by the Company for his claim than \$75,000.

The Company has obtained the opinions of Hon. Richard Fletcher, Sidney Bartlett, Esq., and Hon. Peleg W. Chandler, that by an act passed by a previous Legislature we have the right to our present location, and the Company hope our Courts will sustain these opinions. Then we shall have the right of way, and the jury will decide what we shall pay for it, as well as for past damages.

This claim is so large, and our Company has incurred so much expense in regard to it, it has seemed to us proper that the above facts should be stated.

The offers, or propositions for offers, which it is alleged have been made to Mr. Hazen and his counsel, by letters and otherwise, were never authorized by the Directors, nor were they known to the undersigned until within a few weeks.

Miscellaneous Claims.

The Boston and Lowell Railroad claim for damages for our interfering with their chartered rights in taking passengers to and from Lowell by the way of Wilmington, \$50,000.00.

The Supreme Court of Massachusetts have decided in favor of the Boston and Lowell Railroad, and measures have been taken to carry the case up to the Supreme Court of the United States. If the latter tribunal should confirm the decision of the Massachusetts Court, we should be obliged to pay a very large sum as damages to the Plaintiffs.

The Great Falls Manufacturing Company claim for land damages, \$5,000.00.

S. Currier has a claim for work on change of location, which is in suit. He has obtained a verdict for about \$4,000 against the Company, but a new trial has been granted.

There are many claims for personal damage, loss of baggage and freight, &c., some of which are omitted in the Directors' Report. We estimate the Company will have to pay, before we can be discharged from these claims, and those of N. W. Hazen, the Boston and Lowell Railroad, the Great Falls Manufacturing Company, and Currier, not less than - - \$130,000.00

Add to this the amount stated on page 16, viz. 408,738.04

Our Corporation is also liable as endorsers of the

Bonds of the Danvers Railroad, due March

1st, 1875, for - - - - - 125,000.00

We thus have the total liabilities, - - \$663,738.04

DANVERS RAILROAD.

As many misconceptions exist as to our position with the Danvers Railroad, we will briefly state it.

In 1853, the Boston and Maine Railroad agreed to hire the Danvers Railroad, and pay as rent for its use, five per cent. on its cost, such cost not to exceed \$150,000. This rent was to be payable semi-annually, six months from the completion and delivery of the Railroad to us, and said road was to be deemed completed when James Hayward, Joseph N. Cunningham, and Simeon Borden, or a majority of them, should certify the fact; and the provision was made that said Hayward should at all times have liberty to inspect the books and contracts of the Danvers Railroad, and to examine the work and materials of this Railroad, whilst in process of construction. Thus far we were only liable to pay rent when the Road should be completed.

As is stated in the Report of the Majority, "In the progress of that work it was found that the whole enterprise would fail unless they [the Danvers Railroad] could get aid from us." Therefore, last year, viz. in 1855, on March 1st, we took another lease from the Danvers Railroad for 100 years, from May 30, 1853, in which it was agreed to endorse \$125,000 of the bonds of the Danvers Railroad. This amount would be

the same as the aggregate of twenty years' rent of the Danvers Railroad. But before agreeing to advance any obligations by endorsing the bonds, there was no rent to pay unless the Road was finished, and it could not have been completed without the Boston and Maine Railroad had advanced its money or obligations for that purpose. It did then advance the bonds to pay for the Road before it was finished, and before the Danvers Railroad had complied, on their part, with the terms of the lease. It paid for what it was not obliged to take, and paid twenty years' rent in advance.

Having done this, the Boston and Maine Railroad was fastened to the Danvers, with a further obligation, "to operate and maintain the same, so as reasonably to accommodate the public, and to pay all the expenses of so operating and maintaining said Railroad, and [the Boston and Maine Railroad] *are to have all the benefits of, and are to perform all the obligations* of the Danvers Railroad Company, under and by virtue of a contract between the Newburyport Railroad Company and the Danvers and Georgetown Railroad Company of one part, and the said Danvers Railroad Company of the other part."

It is said that the Boston and Maine Railroad have security against any loss on these bonds by the pledge of \$7,500 of its annual rent. It has been stated under the official signature of the President, that this security is "ample." The Directors' Report states, "When that Road ceases to pay the interest on the bonds, the rent stops ; and, at the maturity of the bonds, the rent ceases forever, or till the bonds are redeemed." This is not such a statement of all the facts that the Stockholders can understand from it their true position. It would seem, upon reading the statement of the President, that the security is abundant to guard against loss ; that the liability is but remote and contingent, and that we have a sinking fund which will provide for it.

The truth is, that we have to pay the interest on these bonds, and they are practically a liability as certain and direct as if the bonds were those of the Boston and Maine Railroad as principal. We receive no rent from the Danvers Railroad. The Road does not earn any rent. It does not earn its running expenses. How, then, can it be said its annual rent is ample

security against any loss on these bonds? A considerable portion, moreover, of the earnings of the Danvers Railroad are derived from the passengers and freight which otherwise would pass over our Road for a longer distance than they now do over the Danvers and our Road together. In fact the Directors provided the means for building a competing road between Haverhill and Boston, which we have to maintain and operate at great expense, and then have to account for and pay to the Eastern Railroad, under our contract with that Company, not the net earnings, for then there would be no loss, but all the receipts, deducting only therefrom three quarters of a cent per mile for every passenger or ton of freight, with twenty cents per ton for depot charges on each ton of freight. No allowance is made by the Eastern, for the payment to the Newburyport Railroad for use, or risk of cars, though we have to pay that Company one half a cent out of the three quarters of a cent allowed to us.

This year we have had to pay the Eastern Railroad, on account of our doing this business, the sum of \$10,014.81, as will appear by the Schedule in the Appendix, marked No. 5, which is a statement, prepared by our Treasurer, of the results of the Danvers Railroad business for the year ending June 1, 1856.

The Stockholders can judge for themselves whether a liability is contingent, when we have semi-annually to pay interest on it; whether there is any security in rent, when instead of our receiving any rent or income from the Road, not only is a large portion of receipts derived from travel drawn off from its legitimate course over our Road, but a large sum is paid to the Eastern, on account of the diversion of business from its Road; and, moreover, all the Danvers Railroad receives from its own business, as well as from the Eastern and Boston & Maine Railroads, is not sufficient to pay its running expenses.

By the Schedule in the Appendix, marked No. 5, it appears the loss to us of operating and maintaining this Road during the last year, estimating the cost of running it according to the terms of our lease with that Company, was \$42,680.92.

The Danvers Railroad, by their Committee, in memorializing the last Legislature, protest against the contract between this Company and the Eastern Railroad, and state that this contract, "if carried out as the Boston & Maine Railroad has already

commenced, will effect the *utter ruin of all interest, which the creditors or Stockholders* of the Danvers Railroad Company have in the road."

What possibility is there of our escaping from paying the principal as well as the interest of these bonds ?

The intelligent Stockholder can likewise decide how valuable a sinking fund of \$5,000 of the Danvers Railroad bonds is, when the Road not only cannot pay its running expenses, but the Boston & Maine Railroad itself has to pay the interest on the bonds.

These bonds discharge, however, but twenty years' rent of the Danvers Railroad. We have not only to lose this, but after twenty years have expired we are bound by the lease to operate that Railroad, whatever may be the loss and cost to us, unless, in some unexpected manner, we obtain relief from this contract. This liability is not to be lost sight of in considering the value of the lease.

A suit has been brought to recover damages for cotton burnt while being carried over the Danvers Road the past year. This is a claim against us for several thousands of dollars, growing out of the lease of this Road.

Another liability is omitted in the Directors' Report. The Danvers Railroad have sued our Corporation during the past year, and laid their damages at \$100,000. This suit is brought to recover an amount of about \$40,000, expended, as is alleged by that Company, at the request of our President, Mr. Hayward, and under the promise from him that our Company would pay the additional cost incurred in building the road, which could have been saved by a change of location. Other claims for damages, also, are preferred against our Company, which are sought to be recovered by the Danvers. Relief has been asked by them of the Legislature of Massachusetts on account of the acts of our Company, and their petition was postponed to the next Legislature.

We hope and believe that many of the claims and complaints of the Danvers Railroad will prove groundless ; yet the charges made against our officers by that Company, through the press, in the Legislature and Courts, and both in public and private places, are sources of annoyance and injury to our Road, and afford us reason to deplore our complicated connections with it.

DANVERS AND GEORGETOWN AND NEWBURYPORT R. R. LOAN.

Among the assets "available to pay debts," are placed in the Directors' Report, three notes of the Newburyport Railroad. The amount of one is carried out as \$10,392.85; of another, \$5,456.50; and of the third, \$44,696.20; amounting in all to \$60,545.55, exclusive of interest.

By turning to Schedule No. 3, of the Report of the Investigating Committee, it will be seen that among the Notes Receivable belonging to the Company, was that of the Danvers and Georgetown Railroad, dated August 21, 1854, for \$70,000, which was endorsed by W. D. Northend, G. I. Tenney, Samuel Little, and Gilb. Tapley.

In the interval between the day of the annual meeting at Haverhill, on September 12, 1855, and its adjournment to Boston, viz., on September 26, 1855, this claim was settled by the old Board of Directors. As it was settled during the last fiscal year, though before the undersigned were elected, and as we believe the Company by the settlement has lost \$44,696.20 of its assets, it seems to us proper that the Directors should report upon so important a subject in detail.

This loan was originally made to the Danvers and Georgetown Railroad for the purpose of paying for their iron. The making of the loan was objected to by one of the undersigned, Dr. William J. Walker, who was at the time a Director, but was not present at the meeting of the Board, when the loan was authorized, and desires to state that he entered his dissent to the loan, on record, as soon as he heard of it.

Personal security was not at first given for the loan. The officers of the Danvers and Georgetown Railroad allege, that, when applied for, it was distinctly understood the loan was not to be temporary, and that no personal security for the same would be given, nor any other security than on the Road and iron.

A portion of the iron having been taken by the Danvers and Georgetown Railroad, it was stated by Mr. Hayward, our President, that one of his Directors objected to the loan, and security other than a supposed lien on the iron after it had been laid was desired. The officers of the Danvers and Georgetown Company

objected to this, and referred to the original understanding that the loan was to be made on the security of the iron. Cars and engines were offered as additional security, and these, as the officers of that Road allege, were thought to be sufficient. It was stated that a Director continued to object to taking this security, and the officers of the Danvers and Georgetown Company were urged, as is stated in a published document of their President, to give personal security till after our annual meeting in 1854, which was then about to take place.

It will be remembered several Directors stated, at this meeting at Lawrence, that this loan was abundantly secured by individual obligation, in reply to Dr. Walker, who alleged that it was unsafe.

It will also be seen that in the Directors' Report, of 1854, made by Mr. Hayward, as President, by order of the Directors, it is stated on page 4, "The financial condition of the Road will be seen by the statement of its assets and liabilities, Schedule C. The property is set down at a fair valuation; the notes are well secured; and the balances of the accounts are all available." Also, on page 8 of the same Report, "The Directors have invested a portion of the reserved fund in the stock of the Road, bought when it sold low in the market. With other portions of it they have made *temporary loans to Railroad Corporations* or individuals, at 6 per cent. interest, *on satisfactory security*."

Also on page 12, in Schedule C, referred to in the same Report, among other assets, was found this specification, "Notes *amply* secured, - - - - \$222,437.45."

Thus the Stockholders were repeatedly assured of the security of the loan. All doubt or question in respect to the security was set at rest by not only the public, but the private assurances of several of the Directors. The names of the endorsers were sufficient to secure the note; and if there had been no private understanding between the officers of our Road and the Danvers and Georgetown, there could be no defence to the note, and no discount was necessary. If there was such a private understanding before the annual meeting, the Stockholders will decide whether the statements in the Annual Report, and at the annual meeting of 1854, were correct or excusable on the part of any who were cognizant of the agreement, that the

note was received merely as a temporary security till after the election, when, "if the election went right," it was to be exchanged for security of a different and inferior character.

The following statement of the endorsers of this note, in reference to this loan, has been placed in our hands:—

Georgetown, August 19, 1856.

GENTLEMEN:—

In answer to your inquiry, we would state that we were induced to endorse the note for \$70,000 given by the Danvers and Georgetown Railroad Company to the Boston and Maine Railroad, dated August 21st, 1854, and payable in one year from date, solely upon the unqualified promise made, personally, to each of us by Mr. Hayward, President of the Boston and Maine Railroad, and by Mr. Minot, Attorney of said Road, that the note was desired for a temporary purpose only, and that security upon the property of the Danvers and Georgetown Railroad Company should be substituted for it immediately after the annual meeting of the Stockholders of the Boston and Maine Railroad, which was then about to take place.

The reason assigned for requesting this personal security was, that unless it was given, "Dr. Walker would make trouble with us at the annual meeting."

Very truly yours, &c.,

GEORGE I. TENNEY,
WM. D. NORTHEND.

August 19, 1856.

It was only upon the statement to me by Messrs. Tenney and Northend of the facts as above set forth, that I was prevailed upon to endorse said note.

SAMUEL LITTLE.

Mr. Northend authorizes us to publish the following letter, received by him from Mr. Minot, the Attorney of our Company, in support of the above:—

[PRIVATE.]

Boston, August 16, 1854.

W. D. NORTHEND:—

I have seen Mr. Kuhn this morning. You know his signature or approval is necessary to any loan. I find him insuperably set against taking security on the iron itself, or on the Road, *before* our Stockholders' meeting. I think, but am not certain, his mind and mine are not much unlike as to what should be done after election, if election goes right, as I presume it will.

I think, therefore, that all you can get now is a loan on personal security, which, if not afterwards taken up by a lease or mortgage, will give you just so much more time to turn in. Then at election,

if things go right, you can very likely get a Stockholders' vote to strengthen the Directors' hand.

His objection to the loan of money on the iron would not apply to the engines and cars, as it is that practically we would not take the iron up.

Yours in haste,

GEORGE MINOT.

The election of 1854 having "gone right," the President and Attorney of our Road were called upon to perform the agreement alleged to have been made by them with the officers of the Danvers Road.

This was not done; but the claims after having been put in suit, and much angry feeling excited, were compromised, just previous to the last election, pursuant to the following instructions.

H. B. WILBUR, Esq.,

Treasurer of the Boston and Maine Railroad,

Sir,—The Committee appointed to make a settlement with the Newburyport Railroad Company hereby authorize you to give up the note of said Company dated 21 August, 1854, for seventy thousand dollars, on receiving in payment therefor a note signed by Moses Putnam, and endorsed by Geo. I. Tenney, dated Sept. 11, 1855, for fifteen thousand dollars, less interest \$420, say for - \$14,580.00
Cash, - - - - - 15,420.00

And a new note of said Company of this date, payable in two years, with interest semi-annually, for - 44,696.20

Making the whole amount of interest and principal now due on said note, \$74,696.20

It is to be a condition of this note of \$44,696.20, that on the failure of the Company to pay the semi-annual interest punctually as it shall become due, the principal shall thereupon become due. All the Bonds now held as collateral security for the payment of the \$70,000 note, and also any other Bonds held as collateral are to be retained; and they are also to leave with you a note of the Danvers Railroad Company, dated Sept. 25, 1855, for thirty-four hundred seventy-seven dollars $\frac{27}{100}$, payable to and endorsed by the Newburyport Railroad Company.

You will also erase from the two notes of said Newburyport Railroad Company,—one dated 18 June, 1853, for \$10,650, and the other dated March 10, 1853, for \$15,750,—the signatures of all the sureties thereon. You will also receive from said Company their Mortgage Bonds of last issue at ninety cents on the dollar, in payment for the amount due from said Company for transportation and expenses paid.

No one part of this is to be done unless the whole be performed by said Company.

(Signed,)

GEO. H. KUHN,
JAMES H. DUNCAN,
GEO. MINOT,

Committee of Directors.

BOSTON, SEPT. 26, 1855.

By this settlement our Company discharged the sureties from the Danvers and Georgetown note of \$70,000, upon receiving \$30,000, and took the note of the Newburyport Railroad Company for the balance due, namely, \$44,696.20, retaining the bonds then in their hands, and a note of the Danvers Railroad Company for \$3,477.27 as collateral.

They also discharged, Sept. 26, 1855, on receiving \$5,000, the sureties on the note of the Newburyport Railroad for \$15,750, dated March 10, 1853, payable January 1, 1854, and signed by C. J. Brockway, George I. Tenney, George Cogswell, and E. Kimball, as sureties, having also \$20,000 Newburyport Railroad bonds as collateral. Interest was due on this note from July 1, 1854. On March 26, 1856, six months' interest was paid on the balance of this note.

They also discharged, Sept. 26, 1855, on receiving \$5,000, the same sureties on another note of the Newburyport Railroad, dated June 18, 1853, and secured by \$13,000 of their bonds. No interest had been paid on this note. On March 26, 1856, six months' interest was paid on the balance of the note.

Also, on Sept. 26, 1855, a settlement was made with the Newburyport Railroad for the balance due to our Company on Passenger and Freight Account to Sept. 1, 1855, and interest, \$15,235.00, we receiving therefor twenty-five dollars in cash, and \$15,210 in the fourth mortgage bonds of the Newburyport Railroad, at ninety cents on the dollar.

By these settlements it will be seen we have

discharged sureties who were considered a					
year previous amply responsible, and who are					
now esteemed perfectly good, from balance					
due on \$70,000 note, amounting to	-	-	-	\$44,696.20	
also, from note of \$15,750, and accrued interest					
to Sept. 26, 1855: viz. \$1,168.12;					
total,	-	-	-	-	\$16,918.12
Less paid	-	-	-	-	5,000.00
					<hr/>
					11,918.12

From note of \$10,650, and accrued interest to Sept. 26, 1855:

viz. \$843.12; total,	-	-	-	\$11,493.12	
Less paid,	-	-	-	-	5,000.00
					<hr/>
Total	-	-	-	-	<u>\$63,107.44</u>

Though interest was paid March 26, 1856, on the two notes last named, to the amount of \$550.65, yet we must bear in mind that we have not received what is due us on monthly accounts from the Newburyport Railroad for sale of tickets over our Road and for freight. So that we actually provided that Road with the means of paying us the interest due on those notes.

It is not expected by us that we shall receive the interest on these three notes any longer. Our Treasurer has received notice that the interest about maturing will not be paid, but will be deferred.

The Stockholders, we fear, by the above-named settlement of September 26, 1855, lost, if the sureties on the notes were responsible, and we believe they were, the full amount of \$63,107.44, together with \$245.98 being the amount paid to our Attorney, who was a member of the above Committee, for his charges, (including \$18.48 for Sheriff's fees,) and commissions on \$40,000, received by the Company for the above compromise,—unless those persons are responsible for the loss, by, or on account of, whose acts the compromise was made in behalf of our Road. The Report of this settlement was made by the above-named Committee to the present Board on Nov. 2d, 1855, and was laid on the table. No action has since been had upon it.

The Danvers & Georgetown and the Newburyport Railroads are now consolidated into one Corporation, which is called the Newburyport Railroad Company.

The description of the bonds of the Newburyport Railroad which we own and hold as collateral, are as follows :

Bonds of the second mortgage, held as collateral,	\$20,000.00
“ “ “ third “ “ “ “	13,000.00
“ “ “ fourth “ “ “ “	75,000.00

Total held as collateral, - - - \$108,000.00

Bonds of the fourth mortgage, owned by the

Company, at 90, - - - - - 15,210.00

The action of the Directors upon the subject of the lease of the Danvers Railroad, and the loans to the Danvers & Georgetown and Newburyport Railroads, will appear in Schedule No. 6 of the Appendix.

PAY ROLLS AND EXPENSES FOR LABOR.

In the Appendix, Schedule No. 2 shows the amount expended for labor and services of those employed by the Company during the last year, together with some incidental expenses. These tables have been carefully prepared by a clerk employed by our Treasurer, under the Directors' orders.

The expenses have increased to an alarming extent, and the Stockholders must take prompt measures to retrench them, if they desire any income from their investments. While our receipts for the year, as will appear by the Directors' Report, have increased nominally \$15,448.47, our expenses have actually increased \$45,186.09, while there have been run 60,722 miles less than the previous year. Many items, also, as we have shown, have not been charged during the last year to expenses, which properly belong to Running Expenses. It will be seen that our Law Expenses, including charges for services rendered by different persons before the Massachusetts Legislature during the last year, amount, with estimates for bills outstanding May 31, to \$18,190.69. The sum of \$3,547.03 appears to have been paid for Civil Engineering and Surveys, during the year; most of which, we think unnecessarily expended.

The large number of trains we run, many of which could be dispensed with, add very greatly to our expenditures.

It seems that there have been, on an average, 681 men employed every working day during the last year. Between one and two hundred of these could be dispensed with, and our Road managed more efficiently than it has been. The expenses could at once be very largely reduced by introducing discipline, energy and accountability into the administration of our Road for the ensuing year; and in succeeding years, the expenses could be still more diminished.

The following Table prepared from the annual Reports, will show how greatly our expenses have increased since 1852, and how disproportioned they are to the increase of earnings:

	Total Receipts.	Total Expenses.
1852, . . .	\$632,232.45	\$314,594.23
1853, . . .	728,410.96	329,882.24
1854, . . .	850,007.02	404,030.11
1855, . . .	875,593.48	495,104.42
1856, . . .	891,041.95	540,290.51

Thus it appears that though our gross earnings were, the last year, but \$41,034.93 more than in 1854, yet our expenses have increased \$136,260.40 since that time, or about 33 per cent.

It will, also, not be overlooked, that the above statement of last year's earnings is swollen by what has been improperly credited to the account for interest on failed notes, as well as for uncollectable accounts due from connecting roads. Moreover, the amount collected of the bondsmen of H. H. Fowle, the defaulting clerk, \$5,729.84, is included in the earnings of the year.

FREIGHT DEPARTMENT.

We are happy to state, that, since the month of January last, there has been a large reduction in the expenses of this department. About the middle of November last, it was placed under the charge of Mr. William J. Merriam. By referring to Schedule No. 3, it will be seen, on comparing the cost of handling the freight the first six months of the present year with the corresponding six months of 1855, that Mr. Merriam has reduced the cost 27 per cent.; that the total increase of tonnage handled has been 20,275 tons. By Schedule No. 4, it will be seen that the increase of earnings for the year ending June 1, 1856, over the previous year, was \$54,055.57; and that, allowing for the increase of tonnage, yet the increase of earnings over that of tonnage for 1856 was \$31,419.57, though there was no increase of the tariff of freight during the period.

This great increase is accounted for partly by the amount received from the bondsmen of H. H. Fowle, whose defalcations were discovered through the sagacity of Mr. Merriam, and with the assistance of his clerks. The reduction of expenses under the vigilant supervision of the Freight Agent, the diminution of the allowances or discounts made to customers for loss or damage of freight, and the removal of unfaithful and suspected employes by the Freight Agent, will,

we think, account, in a great measure, for the large increase of net earnings beyond the increase produced by the additional tonnage.

DIVIDENDS.

By the Schedule hereto appended, marked No. 8, you will find our estimate of the assets available for the payment of debts, May 31, 1856. Some of these assets were not immediately, on that day, convertible into cash to pay dividends and debts, and it would not have been judicious to dispose of others. For instance, we could not receive on demand what was due us from the Manchester and Lawrence Railroad, nor what was due from the line via Lowell under the quintuple contract, nor would it have been judicious to sell the five hundred shares of stock in our Road at the market price, although we have classed all these assets among those available to pay debts.

There was, however, a dividend to be paid July 1, besides back dividends and other items.

The means of paying some of our previous dividends had been provided by borrowing part of the money necessary for the purpose, and issuing our notes therefor.

On June 18th last, the Treasurer reported: "For available means to pay dividends, we have

Cash now in banks,	-	-	-	-	-	\$65,000.00
Estimated Receipts from earnings and assets of.						
the Road over expenditures, in season to meet						
the dividend,	-	-	-	-	-	60,000.00
						<hr/>
						\$125,000.00

This will enable us to pay a dividend of 3 per cent., which amounts to \$124,671.00."

But a large part of this money belonged to connecting roads, whose earnings we collect. So that, had it not been that we retained and used the earnings of these roads, and deferred the payment of our own bills, we should have had to borrow money elsewhere to pay our last dividend. We had not the means on May 31 last, and there were not sufficient collectable assets belonging to the Company from which we could have then paid that dividend.

SUMMARY OF FINANCIAL POSITION.

By Schedule No. 11 of the Appendix it will be seen that the Liabilities of the Company on May 31, 1856, were, according to our estimate, \$663,738.04; and the whole amount of assets available for the payment of the Company's debts was, as will be seen by Schedule No. 8, \$192,467.40; leaving a balance of liabilities over available assets of \$471,270.64. This latter amount must be provided for from the earnings of the Road, and by the issue of 230 shares of stock, which we have the right to issue at par; no other provision having been made therefor.

Our immediate liabilities, May 31, 1856, as detailed in Schedule No. 11 of the Appendix, were — - - - - \$198,738.04

Besides the above are the following liabilities:—

Massachusetts State Loan, due Aug. 1, 1857,	100,000.00
“ “ “ “ “ 1859,	50,000.00
Eben Smith for land, - - - -	40,000.00
Bartlett & Minot, “ - - - -	20,000.00

We should have means constantly in our Treasury to pay the two last items, as at any time the amounts can be demanded of us; and, moreover, the Stockholders, in 1849, provided particularly for them by the issue of stock.

Sundry claims contested, but which we are liable to pay on demand, as they may be advantageously compromised, or judgments recovered against us, not less than - - - - 130,000.00

Besides the above, we are liable as endorsers of the Danvers Railroad bonds, due March 1, 1875, which we must seasonably provide the means to pay, - - - - 125,000.00

Total Liabilities, - - - - \$663,738.04

To pay the above, we have \$58,500 of the bonds of the Danvers Railroad belonging to us, and we have a debt secured by other bonds of the

<i>Amount carried forward,</i>	<u>\$663,738.04</u>
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<i>Amount brought forward,</i>	\$663,738.04
same description, to the amount of \$9,545.07 ;	
in all a set-off against our liability as endorsers	
of \$125,000 Danvers Railroad bonds, of	68,045.07
	<hr/>
	\$595,692.97
We, also, had assets available for payment of debts,	
per Schedule No. 8, - - - -	124,422.33
	<hr/>
Balance, - - - - - -	\$471,270.64

Thus showing a balance of \$471,270.64 which must be provided for, after deducting all our assets available for the payment of debts. Of this balance, \$23,000 can be paid by the issue of 230 shares, referred to in Schedule No. 8, when the stock can be sold at par. The Stockholders having made no provision for the remainder, \$448,270.64, it must be paid from the earnings of the Road.

As we have previously stated, whatever may be collected from the claims, &c. unavailable to pay debts, as per Schedule No. 9, would not, in our opinion, more than make good losses which may occur in realizing the assets classed as available, in Schedule No. 8, and provide for the possible, and perhaps probable excess of liabilities over the moderate amount of \$130,000, which we have above estimated that our Company will have to pay to discharge sundry claims in dispute.

It is our duty to notify you that a larger sum than was appropriated last year must be expended from the earnings of the ensuing year, for renewals of rails, and to make good other loss by depreciation.

Our object has been to give you a just statement of our assets and liabilities, and not present them in a more unfavorable light than we were obliged, in truth, to do. A more particular expression of our views upon many of the foregoing subjects could not, perhaps, be given, without exposing us to the charge of unnecessarily depreciating the property of other parties, or injuriously affecting the interests of the Company in disputed matters. We have avoided making any statements which could have this effect.

PROSPECTS OF THE COMPANY.

When we regard the large business legitimately belonging to the Boston and Maine Railroad, its great local resources, the many lines of road and connections tributary to it, the never-failing increase which we may rely upon, arising from the continual development of our country, and remember all the manufactures, agricultural products, and commercial interchanges which abound in the region through which our Road passes, and which must find their conveyance over it, we cannot doubt that our Road is unsurpassed by any other line terminating in Boston, in power to afford rich returns to its owners. If the Boston and Maine Railroad cannot be made a safe and profitable stock, then railroad property in New England is worthless. We believe it to be good property, and that it can be made largely productive in net income, pay liberal dividends to its Stockholders, and be placed at the head of the list of the stocks in the market, if its affairs are managed judiciously. But it is idle for us, while seeing in the clearest light the intrinsic merits of our Road, to shut our eyes to the true present position of its concerns. No candid mind can escape the conviction, after examining the history of the Company, that serious mistakes have been made in its management—that of late years counsels of prudence have not been regarded as they were by the earlier managers of the property—and that our very abundance of resources has, perhaps, made us forgetful of the necessity of a watchful guard against unnecessary expenditures.

To regain our position, retrenchment of expenses is absolutely required. If subordinate officers of the Corporation cannot curtail the expenses of their several departments, others should be substituted who will. We must not extend our improvements beyond the limit necessary for economical management. We must keep up the efficiency of our Road, but we must do it at the smallest outlay. While doing what we can afford, to cherish friendly relations with connecting roads, we must not, to secure or accommodate their business, make expenditures which, in our present condition, are beyond our means; and we must be careful lest such connections are made

oppressive rather than beneficial to us. We must obtain a fair recompense for the service the Road renders. Where competition exists, we necessarily receive less than we do when we have the monopoly of the business; yet we should be careful, in our haste to get business, that we do not perform it for less than the cost of doing it.

We repeat our entire confidence in the unsurpassed value of our property, if it is placed under good management.

CONCLUSION.

The undersigned regret the necessity of being obliged to present to you this statement of your property. Entertaining our opinions, it will be evident to the reader we could not coincide with the Report made to you by order of our associates. We have not thought it necessary to review in detail all our objections to that Report. It seems to us sufficient to have informed you of our views of the financial position of the Road, and to have put you in possession of facts relating to important subjects.

We may be excused for adding, that, having been selected to serve you in an important and honorable trust, we have endeavored to perform the duties imposed upon us to the best of our ability, with no object in view but the advancement of your interests, and desiring no other reward than your approbation.

All which is respectfully submitted.

FRANCIS B. HAYES,
ANDREW PEIRCE, JR.,
WILLIAM J. WALKER,
HENRY L. WILLIAMS,

Directors of Boston and Maine R. R.

BOSTON, SEPT. 1, 1856.

APPENDIX.



SCHEDULE No. 2.

STATEMENT of amount paid for LABOR by the BOSTON AND MAINE RAILROAD,
from June 1st, 1855, to May 31st, 1856, inclusive.

CONDUCTORS.				GATEMEN.			
1855.	Men.	Days.		1855.	Men.	Days.	<i>Amount forward,</i>
June,	19	519	\$1,031.65	June,	13	325	\$293.16
July,	20	520	1,021.65	July,	16	398	326.66
Aug.	20	513½	973.50	Aug.	16	456½	347.21
Sept.	21	538	1,126.65	Sept.	14	337½	300.83
Oct.	19	513	991.65	Oct.	14	365½	311.00
Nov.	20	520	1,031.66	Nov.	14	353	307.97
Dec.	21	527	1,043.74	Dec.	15	356	311.30
1856.				1856.			
Jan.	20	540	1,036.65	Jan.	15	522½	379.00
Feb.	20	500	1,036.65	Feb.	14	337½	298.33
March,	19	494	991.65	March,	14	351	306.16
April,	20	533	1,059.15	April,	15	367	323.16
May,	19	513	976.65	May,	15	365½	307.78
	238	6,230½	\$12,321.25		175	4,535	3,812.56
ENGINEERS AND FIREMEN.				SIGNAL-MEN.			
1855.	Men.	Days.		1855.	Men.	Days.	
June,	51	1,274	\$2,232.65	June,	5	103½	\$105.25
July,	54	1,266	2,226.89	July,	5	77	83.07
Aug.	56	1,485	2,228.16	Aug.	4	81	76.75
Sept.	53	1,233	2,233.30	Sept.	6	128½	143.12
Oct.	51	1,272	2,106.62	Oct.	3	67½	75.50
Nov.	50	1,252	2,159.96	Nov.	4	170	131.00
Dec.	50	1,272	2,201.11	Dec.	3	65	76.00
1856.				1856.			
Jan.	51	1,327	2,254.13	Jan.	3	67½	84.50
Feb.	51	1,214	2,219.90	Feb.	3	62½	82.50
March,	51	1,581	2,298.23	March,	3	65	83.50
April,	51	1,294	2,297.42	April,	4	65	75.50
May,	51	1,356	2,274.42	May,	5	173½	143.00
	620	15,826	26,732.79		48	1,126	1,159.69
BRAKEMEN.				WATCHMEN.			
1855.	Men.	Days.		1855.	Men.	Days.	
June,	26	632	\$815.88	June,	18	532	\$539.00
July,	32	778½	887.29	July,	20	559½	566.20
Aug.	30	765	971.73	Aug.	19	561	566.70
Sept.	31	765	984.90	Sept.	18	512½	513.25
Oct.	24	583½	731.82	Oct.	16	484	478.20
Nov.	28	607	788.33	Nov.	17	473	474.00
Dec.	26	643	862.51	Dec.	17	489½	491.70
1856.				1856.			
Jan.	22	703	762.27	Jan.	25	597½	580.27
Feb.	20	500	702.50	Feb.	16	428½	453.30
March,	20	516	691.84	March,	17	480½	491.70
April,	23	503	667.19	April,	17	462	486.43
May,	22	572½	731.42	May,	18	461½	476.70
	304	7,568½	9,597.68		218	6,041½	6,117.45
SWITCHMEN.				BAGGAGE-MEN.			
1855.	Men.	Days.		1855.	Men.	Days.	
June,	22	542	\$588.97	June,	23	593½	\$803.46
July,	20	479½	509.12	July,	26	627½	837.86
Aug.	21	596	576.87	Aug.	23	566	741.50
Sept.	22	532½	479.33	Sept.	24	567	787.98
Oct.	20	530	521.06	Oct.	27	667	860.62
Nov.	19	471½	469.00	Nov.	26	625½	852.33
Dec.	19	469½	483.59	Dec.	24	596	812.91
1856.				1856.			
Jan.	21	534	516.62	Jan.	26	625	804.40
Feb.	21	502½	519.62	Feb.	25	598	816.50
March,	22	537½	515.63	March,	25	638	840.06
April,	20	498	498.00	April,	24	585	760.00
May,	22	560	547.04	May,	24	645½	806.79
	249	6,252¾	6,224.85		296	7,333¾	9,724.41
<i>Amount forward,</i>			\$54,876.57	<i>Amount forward,</i>			\$75,690.68

<i>Amount forward,</i>				<i>Amount forward,</i>			
STATION AGENTS.				WOOD AND WATER IN BOSTON.			
1855.	Men.	Days.		1855.	Men.	Days.	
June,	42	1,123	\$1,350.75	June,	32	773 $\frac{1}{4}$	\$862.32
July,	39	1,061	1,373.96	July,	31	737 $\frac{3}{4}$	825.44
Aug.	44	1,189 $\frac{1}{2}$	1,380.39	Aug.	28	743 $\frac{1}{2}$	779.33
Sept.	46	1,335	1,431.20	Sept.	29	684	762.57
Oct.	44	1,231	1,373.15	Oct.	27	694 $\frac{1}{2}$	760.14
Nov.	46	1,183	1,441.40	Nov.	28	696 $\frac{1}{4}$	770.33
Dec.	45	1,161	1,399.34	Dec.	26	657 $\frac{1}{2}$	734.14
1856.				1856.			
Jan.	46	1,242	1,384.95	Jan.	26	719 $\frac{1}{4}$	789.79
Feb.	44	1,092	1,385.58	Feb.	24	594 $\frac{1}{4}$	668.14
March,	51	1,316	1,444.42	March,	24	611 $\frac{1}{2}$	685.08
April,	47	1,140	1,424.83	April,	26	587	661.46
May,	47	1,295	1,440.66	May,	28	691 $\frac{1}{4}$	823.43
	541	14,368 $\frac{1}{2}$			329	8,190	
ENGINE SHOP, BOSTON.				WOOD AND WATER NOT IN BOSTON.			
1855.	Men.	Days.		1855.	Men.	Days.	
June,	40	958 $\frac{1}{2}$	\$1,595.72	June,	46	777	\$794.49
July,	42	908 $\frac{1}{2}$	1,541.80	July,	31	675 $\frac{3}{4}$	712.75
Aug.	44	987 $\frac{1}{4}$	1,621.81	Aug.	27	727 $\frac{1}{2}$	774.85
Sept.	42	941 $\frac{1}{2}$	1,565.96	Sept.	28	681 $\frac{1}{4}$	731.83
Oct.	42	1,054 $\frac{1}{4}$	1,748.12	Oct.	28	738	798.57
Nov.	42	1,008 $\frac{1}{2}$	1,687.11	Nov.	31	675 $\frac{1}{4}$	768.38
Dec.	38	958	1,617.93	Dec.	26	658 $\frac{1}{4}$	706.28
1856.				1856.			
Jan.	38	1,001	1,690.17	Jan.	23	594 $\frac{1}{4}$	661.26
Feb.	39	931 $\frac{3}{4}$	1,583.16	Feb.	23	581 $\frac{3}{4}$	641.00
March,	39	1,010 $\frac{3}{4}$	1,711.59	March,	24	598 $\frac{1}{2}$	655.90
April,	39	951	1,623.66	April,	24	618 $\frac{1}{2}$	678.28
May,	38	968 $\frac{1}{2}$	1,600.96	May,	21	560 $\frac{1}{4}$	616.81
	483	11,679 $\frac{1}{2}$			332	7,886 $\frac{1}{4}$	
CAR SHOP, LAWRENCE.				FREIGHT AT BOSTON.			
1855.	Men.	Days.		1855.	Men.	Days.	
June,	55	1,340 $\frac{3}{4}$	\$1,922.14	June,	114	2,347	\$3,098.33
July,	56	1,167 $\frac{3}{4}$	1,681.10	July,	90	2,123 $\frac{1}{2}$	2,871.62
Aug.	54	1,259 $\frac{1}{2}$	1,816.64	Aug.	91	2,360 $\frac{3}{4}$	3,135.17
Sept.	58	1,229 $\frac{1}{4}$	1,768.17	Sept.	96	2,338 $\frac{1}{2}$	3,125.16
Oct.	55	1,318	1,897.48	Oct.	125	2,666	3,462.83
Nov.	51	1,194 $\frac{1}{4}$	1,737.18	Nov.	106	2,487 $\frac{1}{4}$	3,264.83
Dec.	49	1,234	1,720.50	Dec.	103	2,330 $\frac{1}{2}$	3,075.83
1856.				1856.			
Jan.	48	1,264	1,758.62	Jan.	94	2,210	2,847.09
Feb.	48	1,164 $\frac{1}{4}$	1,628.55	Feb.	91	2,183	2,754.93
March,	50	1,134 $\frac{1}{2}$	1,580.77	March,	99	2,338	2,845.43
April,	49	1,124 $\frac{3}{4}$	1,659.94	April,	101	2,426 $\frac{1}{2}$	2,979.25
May,	51	1,204 $\frac{1}{4}$	1,751.86	May,	110	2,437 $\frac{1}{4}$	3,067.28
	624	14,635 $\frac{1}{4}$			1,220	28,248 $\frac{1}{4}$	
LABORERS AND EMPLOYEES, MISCELLANEOUS.				FREIGHT NOT IN BOSTON.			
1855.	Men.	Days.		1855.	Men.	Days.	
June,	21	498	\$670.42	June,	20	327 $\frac{1}{4}$	\$381.00
July,	22	511 $\frac{1}{4}$	626.52	July,	12	293 $\frac{1}{2}$	342.63
Aug.	26	604	761.08	Aug.	12	281	310.72
Sept.	25	577	745.12	Sept.	11	237 $\frac{1}{2}$	283.12
Oct.	24	577 $\frac{1}{2}$	766.92	Oct.	10	257 $\frac{1}{2}$	293.09
Nov.	22	509 $\frac{1}{2}$	669.61	Nov.	10	214	249.36
Dec.	17	426	570.10	Dec.	9	221	260.50
1856.				1856.			
Jan.	18	420	569.53	Jan.	10	218 $\frac{1}{2}$	245.24
Feb.	19	410 $\frac{1}{4}$	580.09	Feb.	8	171 $\frac{1}{4}$	197.60
March,	20	487 $\frac{3}{4}$	675.87	March,	8	169	192.62
April,	17	399 $\frac{1}{2}$	556.49	April,	8	182	218.00
May,	15	389 $\frac{1}{2}$	533.91	May,	10	248 $\frac{1}{2}$	275.78
	246	5,810 $\frac{1}{4}$			128	2,821	
<i>Amount forward,</i>				<i>Amount forward,</i>			
\$75,690.68				\$140,757.91			
16,830.63				9,122.17			
19,587.99				8,510.40			
20,922.95				36,527.75			
7,725.66				3,249.66			
\$140,757.91				\$198,197.89			

Amount forward,				\$198,197.89	REPAIRS OF ROAD—(Smith.)—continued.			
REPAIRS OF ROAD—(Smith.)					1855. Sec. Men. Days.			
1855. Sec. Men. Days.					Amounts			\$208,586.25
June, 1 4 94½			\$155.71		forward, 44 983		\$1,254.45	
2 3 78			93.17		Sept. 10 3 78½		94.89	
3 11 220½			278.17		11 3 76½		93.27	
4 14 320½			389.59		12 3 77½		94.88	
5 5 106½			122.04		13 15 337		359.02	
6 8 181½			203.52		14 34 607¾		680.05	
7 5 105¾			122.02		15 4 102		130.89	
8 5 105¾			122.02		16 3 55		68.24	
9 5 105¾			122.02					
10 5 105¾			122.02		109 2,317			2,775.69
11 4 82¾			97.87		Oct. 1 9 214½		294.50	
12 15 300½			363.01		2 8 186½		220.67	
13 4 83¾			98.96		3 2 54		65.25	
14 10 215¾			262.80		4 5 112		128.58	
15 13 209¾			270.47		5 5 112		128.58	
16 4 83¾			98.96		6 5 112		128.58	
					7 4 112		128.58	
	115 2,399¾			2,922.35	8 13 309¾		410.34	
July, 1 4 127			193.52		9 5 105		121.00	
2 9 228½			284.91		10 5 112½		128.60	
3 19 339			387.19		11 4 111		127.25	
4 6 152			184.18		12 5 112		128.58	
5 6 152			184.18		13 14 274½		337.17	
6 7½ 185½			208.49		14 5 112		128.58	
7 28½ 624			779.24		15 5 112		128.58	
8 6 152			184.18		16 6 129½		154.20	
9 6 152			161.25					
10 6 152			184.18		100 2,281			2,759.04
11 7 152			184.18		Nov. 1 4 104		166.01	
12 9 244			303.04		2 3 78		93.17	
13 7 152			184.18		3 2 52		62.84	
14 7 159½			192.57		4 4 92½		110.10	
15 5 152			161.27		5 4 92½		110.10	
16 6 152			161.27		6 4 92½		110.10	
					7 4 92½		110.10	
	139 3,275½			3,937.83	8 9 203¾		252.68	
Aug. 1 10½ 266½			346.02		9 9 209½		233.10	
2 20½ 486			599.15		10 3 94		110.09	
3 2 54			65.25		11 4 92½		110.10	
4 4½ 102			118.11		12 4 89½		106.85	
5 4½ 107			123.53		13 16 326		388.47	
6 4 104½			121.60		14 6 141½		186.73	
7 20½ 444¾			552.76		15 4 92½		110.10	
8 4½ 107			123.53		16 5 103½		126.60	
9 4½ 107			123.53					
10 7½ 168½			216.91		85 1,956½			2,387.14
11 4½ 105			121.36		Dec. 1 5½ 127		199.99	
12 4½ 107			123.53		2 4½ 110		136.90	
13 4½ 107			123.53		3 3½ 84		106.57	
14 4½ 100			115.53		4 3½ 84		106.57	
15 25½ 432			534.33		5 3½ 84		106.57	
16 4 104			119.51		6 3½ 84		106.57	
					7 3½ 84		106.57	
	130 2,902½			3,528.18	8 4 84½		106.57	
Sept. 1 4 92			152.08		9 4 82½		104.62	
2 6 142			193.29		10 3½ 84½		106.57	
3 2 50			60.41		11 3½ 84½		106.57	
4 12 255½			305.88		12 3½ 79		101.15	
5 3 75			92.07		13 3½ 84		106.57	
6 4 78			94.88		14 3½ 84		106.57	
7 3 77½			94.89		15 3½ 84		106.57	
8 7 137½			169.01		16 3½ 84		106.57	
9 3 75½			91.94					1,821.50
Amounts forward, 44 983			\$1,254.45	\$208,586.25	60 1,408			
					Amount forward,			\$218,329.62

REPAIRS OF ROAD—(Smith.)—continued.
Amount forward, \$218,329.62

1856.	Sec.	Men.	Days.	
Jan.	1	4	85	\$143.84
	2	3	81	96.75
	3	11	65	76.25
	4	3	70½	88.09
	5	4	76½	94.09
	6	3	70½	88.09
	7	2	70½	88.09
	8	8	93	110.59
	9	5	139½	190.09
	10	3	71	88.17
	11	4	81½	99.09
	12	3	58½	75.09
	13	2	70½	88.09
	14	5	79½	97.09
	15	3	70½	88.09
	16	25	208	225.59

		88	1,391		
Feb.	1	5¼	100½	168.08	1,737.09
	2	4¼	97½	118.74	
	3	4¼	73½	90.65	
	4	4¼	73½	90.65	
	5	4¼	73½	90.64	
	6	4¼	73½	90.64	
	7	4¼	73½	90.64	
	8	4¼	73½	90.64	
	9	4¼	73½	90.64	
	10	4¼	73½	90.64	
	11	4¼	73½	90.64	
	12	4¼	73½	90.64	
	13	4¼	73½	90.64	
	14	4¼	73½	90.65	
	15	4¼	73½	90.65	
	16	4¼	73½	90.65	

		69	1,227		1,555.83
Mar.	1	3	78	137.84	
	2	3	77	92.08	
	3	2	52	62.84	
	4	3	64	78.76	
	5	2	64	78.76	
	6	3	64	78.76	
	7	2	64	78.76	
	8	3	64	78.76	
	9	2	56½	71.17	
	10	3	57½	71.55	
	11	2	64	78.76	
	12	3	63	77.67	
	13	2	64	78.76	
	14	3	64	78.76	
	15	2	64	78.76	
	16	7	178	244.76	

		45	1,138		1,466.75
April,	1	5¾	118¼	185.25	
	2	4¾	101¾	123.32	
	3	4	78¾	96.75	
	4	3¾	79	96.74	
	5	3¾	76¾	94.32	
	6	3¾	78¾	96.75	
	7	3¾	67¾	83.57	
	8	12¾	201¼	247.10	
	9	4	78¾	96.74	

Amounts forward, 46¼ 881 \$1,120.54 \$223,089.29

REPAIRS OF ROAD—(Smith.)—continued.
1856. Sec. Men. Days.

Amounts forward,	46¼	881	\$1,120.54	\$223,089.29
Apr.	10	3¾	72¾	89.02
	11	3¾	71¾	87.40
	12	4	79	96.75
	13	3¾	78¾	96.74
	14	3¾	74¾	91.91
	15	4	78¼	96.20
	16	3¾	78½	96.08
		73	1,414¾	1,774.64

May,	1	6	144½	215.93
	2	5	118	143.19
	3	4	91	111.69
	4	4	91	111.69
	5	4	88½	109.01
	6	4	91	111.69
	7	4	84	102.60
	8	4	91	111.68
	9	4	90¾	111.68
	10	4	91	111.69
	11	4	91	111.68
	12	4	79	98.19
	13	4	90½	111.68
	14	4	91	111.69
	15	4	89	109.01
	16	4	91	111.69
		67	1,512¼	1,894.79

Whole amount of Repairs by Smith, \$28,560.83.

REPAIRS OF ROAD—(Whittier.)

1855.	Sec.	Men.	Days.	
June,	1	9	203½	\$301.03
	2	7	148¾	185.68
	3	11	233¾	282.07
	4	8	175¾	208.25
	5	7¾	175¾	208.25
	6	7¾	175¾	208.25
	7	8¾	186¾	220.13
	8	7¾	175¾	208.25
	9	6¾	149¾	180.17
	10	6¾	149¾	180.17
	11	7¾	175¼	207.58
	12	12¾	267¼	331.20
	13	12¾	264½	327.97
	14	9¾	224	260.36
		123½	2,706¼	3,309.36

July,	1	5	145	256.77
	2	6	164¼	217.13
	3	5	114	137.94
	4	5	133	153.73
	5	5	118½	143.91
	6	6	148¾	169.26
	7	7	159¼	190.44
	8	6	146¾	167.10
	9	6	108½	123.57
	10	4	102½	117.20
	11	4	103	117.74
	12	5	114	132.81
	13	4	97	111.32
	14	17	384	483.02
		85	2,038½	2,521.94

Amount forward, 85 2,038½ \$232,590.02

REPAIRS OF ROAD—(Whittier.)—continued.
 Amount forward, \$232,590.02

1855.	Sec.	Men.	Days.		
Aug.	1	8	195 $\frac{3}{4}$	\$297.26	
	2	9	189 $\frac{1}{2}$	226.38	
	3	8	192 $\frac{1}{2}$	225.99	
	4	8	204 $\frac{1}{2}$	227.68	
	5	7	177 $\frac{1}{2}$	198.52	
	6	8	188	209.86	
	7	8	200 $\frac{1}{2}$	223.11	
	8	8	200 $\frac{1}{2}$	225.71	
	9	8	197 $\frac{1}{4}$	219.08	
	10	6	150 $\frac{1}{2}$	169.36	
	11	7	176	196.90	
	12	9	227 $\frac{3}{4}$	261.11	
	13	9	217	249.54	
	14	20	501 $\frac{3}{4}$	645.89	
	123	3,019			3,576.39
Sept.	1	6	128 $\frac{1}{2}$	226.60	
	2	4	105 $\frac{1}{4}$	142.36	
	3	4	100	116.50	
	4	4	100	108.00	
	5	4	100	114.25	
	6	5	127 $\frac{1}{2}$	144.20	
	7	5	126	143.47	
	8	7	187 $\frac{1}{2}$	239.62	
	9	4	106	121.23	
	10	4	90	101.70	
	11	4	100	114.25	
	12	14	327 $\frac{1}{2}$	417.08	
	13	8	191 $\frac{3}{4}$	241.38	
	14	56	1,227 $\frac{1}{4}$	1,395.90	
	129	3,017 $\frac{1}{4}$			3,626.54
Oct.	1	9	239 $\frac{1}{2}$	378.41	
	2	5	145	182.80	
	3	5	116	139.68	
	4	4	109	124.77	
	5	4	93 $\frac{1}{2}$	113.47	
	6	5	135	153.12	
	7	5	130	146.90	
	8	5	134	151.47	
	9	4	106	121.10	
	10	4	108	123.39	
	11	4	108	123.39	
	12	17	392	495.48	
	13	4	108	123.39	
	14	61	1,198 $\frac{3}{4}$	1,411.89	
	136	3,122 $\frac{3}{4}$			3,789.26
Nov.	1	9	239 $\frac{1}{2}$	410.23	
	2	5	144	185.16	
	3	5	128 $\frac{1}{2}$	158.84	
	4	4	122	147.65	
	5	13	326 $\frac{1}{4}$	422.85	
	6	9	207 $\frac{1}{4}$	261.23	
	7	6	135	164.30	
	8	5	118 $\frac{1}{2}$	134.48	
	9	5	117	141.26	
	10	4	103	117.74	
	11	4	102	116.66	
	12	4	104	118.82	
	13	7	151	186.36	
	14	67	1,228 $\frac{3}{4}$	1,404.31	
	147	3,226 $\frac{3}{4}$			3,969.89
Amount forward,				\$247,552.10	

 REPAIRS OF ROAD—(Whittier.)—continued.
 Amount forward, \$247,552.10

1855.	Sec.	Men.	Days.		
Dec.	1	20	467 $\frac{1}{4}$	\$730.92	
	2	9	209	250.63	
	3	7	150 $\frac{3}{4}$	173.41	
	4	9	177	198.89	
	5	16 $\frac{1}{2}$	321	450.89	
	6	8	149 $\frac{1}{2}$	169.07	
	7	7	149 $\frac{3}{4}$	169.98	
	8	8	150	169.74	
	9	7	150 $\frac{3}{4}$	171.07	
	10	8	151	171.07	
	11	8	151	171.07	
	12	8	151	171.07	
	13	7	150 $\frac{3}{4}$	171.07	
	14	15	369	448.19	
	137 $\frac{1}{2}$	2,897 $\frac{3}{4}$			3,617.07
1856.					
Jan.	1	16	384 $\frac{1}{2}$	622.84	
	2	3	86	108.28	
	3	3	81	96.66	
	4	3	86	100.81	
	5	3	81	94.23	
	6	3	81	94.23	
	7	4	97	117.77	
	8	3	87	103.76	
	9	4	101 $\frac{1}{2}$	122.47	
	10	3	81	94.23	
	11	3	80	93.15	
	12	4	97	116.26	
	13	3	81	94.23	
	14	8	207	255.49	
	63	1,631			2,114.41
Feb.	1	10	243	405.49	
	2	3	78	97.50	
	3	5	114	144.96	
	4	4	91	109.74	
	5	3	75	87.25	
	6	3	73	84.84	
	7	3	74	86.17	
	8	3	81	95.78	
	9	3	74	86.17	
	10	3	75	87.25	
	11	4	75	87.25	
	12	3	75	87.25	
	13	3	72	84.01	
	14	6	150	168.25	
	56	1,350			1,711.91
Mar.	1	11	254 $\frac{1}{2}$	417.87	
	2	2	60	76.64	
	3	4	88 $\frac{1}{2}$	107.44	
	4	3	79 $\frac{1}{2}$	92.56	
	5	3	79 $\frac{1}{2}$	92.89	
	6	3	78 $\frac{1}{2}$	91.82	
	7	4	83	107.39	
	8	3	84	100.15	
	9	3	79 $\frac{1}{2}$	92.89	
	10	3	79 $\frac{1}{2}$	92.90	
	11	3	85 $\frac{1}{2}$	92.89	
	12	8	121	159.59	
	13	3	79 $\frac{1}{2}$	92.89	
	14	6	157 $\frac{1}{2}$	177.14	
	59	1,410			1,795.06
Amount forward,				\$256,790.55	

REPAIRS OF ROAD—(Whittier)—continued.				REPAIRS DANVERS RAILROAD—continued.			
Amount forward,				Amount forward,			
\$256,790.55				\$264,751.15			
1856.	Sec.	Men.	Days.	1855.	Sec.	Men.	Days.
April, 1	15	335 $\frac{3}{4}$	\$533.23	Nov. 1	3	78	\$90.74
2	12	231 $\frac{3}{4}$	305.94	2	3	79	90.74
3	3	80	97.47			156	181.48
4	4	79 $\frac{3}{4}$	92.31	Dec. 1	3	78	90.74
5	4	80	92.96	2	3	78	90.74
6	3	62 $\frac{1}{2}$	73.69			156	181.48
7	5	82 $\frac{1}{4}$	104.41	1856.			
8	4	79 $\frac{3}{4}$	92.65	Jan. 1	3	88	103.84
9	5	71	83.74	2	3	81	94.23
10	3	79 $\frac{3}{4}$	92.65			169	198.07
11	4	82	95.12	Feb. 1	5	90	109.21
12	3	79 $\frac{3}{4}$	92.65	2	8	84	100.68
13	4	81	94.56			174	209.89
14	43	477 $\frac{3}{4}$	527.02	Mar. 1	3	78	90.82
				2	3	78	91.10
112	1,903		2,378.40			156	181.92
May, 1	10 $\frac{1}{4}$	271 $\frac{3}{4}$	429.71	April, 1	3	78	90.82
2	7 $\frac{1}{4}$	175 $\frac{1}{2}$	220.69	2	3	83	99.09
3	5	130 $\frac{1}{4}$	152.15			161	189.91
4	5 $\frac{1}{4}$	131 $\frac{1}{2}$	149.46	May, 1	3	81	94.32
5	16 $\frac{1}{4}$	360	475.49	2	3	79	91.65
6	5	111 $\frac{1}{4}$	133.56			160	185.97
7	10 $\frac{1}{4}$	238 $\frac{3}{4}$	306.65	Whole amount of Repairs of Dan-			
8	4	103	118.91	vers Railroad, \$3,292.34.			
9	4	103 $\frac{1}{4}$	119.57	ICE AND SNOW.			
10	4 $\frac{1}{4}$	104 $\frac{1}{2}$	120.66	1856.	Men.	Days.	
11	4 $\frac{1}{4}$	104 $\frac{1}{2}$	120.65	Jan. 71	416	\$497.15	
12	5	103 $\frac{1}{4}$	119.58	From			
13	5 $\frac{1}{4}$	125 $\frac{1}{2}$	144.39	Leger, 1	22 $\frac{1}{4}$	22.34	
14	44	963 $\frac{3}{4}$	1,007.11		72	438 $\frac{1}{4}$	\$519.49
130	3,026 $\frac{1}{4}$		3,618.58	Feb. 118	370 $\frac{1}{4}$	413.80	
Whole amount of Repairs by				From			
Whittier, \$36,028.81.				Leger, 9	216 $\frac{1}{2}$	216.55	301.56
REPAIRS, DANVERS RAILROAD.					127	586 $\frac{3}{4}$	630.35
1855	Sec.	Men.	Days.	Mar. 94	325 $\frac{5}{8}$	334.18	
June, 1	7	119 $\frac{1}{2}$	\$137.96	From			
2	5	67 $\frac{3}{4}$	81.80	Leger, 7	174	173.93	859.09
3	5	67 $\frac{3}{4}$	81.80		101	499 $\frac{5}{8}$	508.11
				April, From			
17	255			Leger, 6	168 $\frac{3}{4}$	168.74	303.54
July, 1	13 $\frac{3}{4}$	268	296.26	May, Lawrence, 2	13 $\frac{3}{4}$	1.75	1,828.44
2	13 $\frac{1}{2}$	258	291.95				
3	11 $\frac{3}{4}$	234	270.88	OFFICERS OF THE CORPORATION.			
				1855.	June.		
39	760			Treas. & Cl'ks,	\$291.67		
Aug. 1	5	118	140.06	Sup't,	208.38		
2	2	64	81.74	5 Clerks,	251.66		
3	2	64	81.74			\$751.66	
9	246						
Sept. 1	4	100	114.25				
2	2	50	60.25				
3	3	75	93.50				
9	225						
Oct. 1	4	94	109.27				
2	2	48	57.09				
3	2	54	65.07				
8	196						
231.43							
Amount forward,			\$264,751.15	Amounts forward,		\$751.66	\$267,908.31

OFFICERS OF THE CORPORATION—*continued.*

<i>Amounts forward,</i>	\$751.66	\$267,908.31
1855. July.		
Treas. & Cl'ks,	\$291.67	
Sup't,	208.33	
President,	136.12	
5 Clerks,	251.66	
	887.78	
August.		
Treas. & Cl'ks,	291.67	
Sup't,	208.33	
5 Clerks,	251.66	
	751.66	
September.		
Treas. & Cl'ks,	291.67	
Sup't,	208.33	
Boston, 5 Cl'ks,	251.66	
	751.66	
October.		
Treas. & Cl'ks,	291.67	
Sup't,	166.67	
5 Clerks,	251.66	
	710.00	
November.		
Treas. & Cl'ks,	291.67	
Sup't,	166.67	
President,	1,750.00	
5 Clerks,	251.66	
	2,460.00	
December.		
Treas. & Cl'ks,	291.67	
Sup't,	166.67	
5 Clerks,	268.33	
	726.67	
1856. January.		
Treas. & Cl'ks,	291.67	
Sup't,	166.67	
5 Clerks,	270.83	
	729.17	
February.		
Treas. & Cl'ks,	291.67	
Sup't,	166.67	
5 Clerks,	270.83	
	729.17	
March.		
Treas. & Cl'ks,	291.67	
Sup't,	166.67	
5 Clerks,	270.83	
	729.17	
April.		
President,	875.00	
Treas. & Cl'ks,	291.67	
Sup't,	166.67	
5 Clerks,	270.83	
	1,604.17	
May.		
President,	875.00	
Treas. & Cl'ks,	291.67	
Sup't,	166.67	
5 Clerks,	270.83	
	1,604.17	—12,435.28
LAW EXPENSES.		
1855. June.		
S. A. Walker,	\$25.00	
S. Bartlett,	15.00	
	40.00	
July.		
G. Minot,	300.00	
J. Quincy,	25.00	
	325.00	
<i>Amounts forward,</i>	\$365.00	\$280,343.59

LAW EXPENSES.—*continued.*

<i>Amounts forward,</i>	\$365.00	\$280,343.59
1855. August.		
H. W. Muzzy,	50.00	
J. H. Wiggin,	1,623.16	
	1,073.16	
September.		
G. Minot,	747.25	
Wiggin & Wheeler,	21.00	
David Murray,	3.00	
S. B. Perry,	20.00	
Choate & Bell,	750.00	
	1,541.25	
October.		
G. W. Kittredge,	77.75	
H. W. Muzzy,	150.00	
R. H. Blake,	75.00	
	302.75	
November.		
G. Minot,	65.00	
A. Burlingame,	150.00	
Thomas Russell,	150.00	
	365.00	
December.		
A. D. Pillsbury,	12.69	
1856. January.		
E. Pickering,	1.75	
H. C. Bacon,	141.67	
O. Abbott,	10.59	
C. P. Judd,	204.07	
H. H. Hobbs,	56.23	
	414.31	
March.		
Joel Parker,	250.00	
S. M. Wheeler,	124.75	
	374.75	
April.		
Wiggin, March & Co.,	50.00	
A. O. Brewster,	300.00	
A. O. Brewster,	300.00	
N. P. Bryant,	100.00	
G. Minot,	813.85	
J. M. Usher,	100.00	
John S. Wells,	340.00	
A. T. Swan,	9.54	
	2,013.39	
May.		
N. P. Bryant,	150.00	
J. H. Clifford,	50.00	
J. F. Clark,	29.65	
C. P. Judd,	12.00	
J. J. March,	14.74	
R. H. Dana, Jr.,	250.00	
G. Minot,	68.00	
N. P. Bryant,	250.00	
N. Randall, Ag't,	902.00	
	1,728.39	
ESTIMATE FOR OUT- STANDING BILLS.		
G. Minot, Unfinished Cases,	2,500.00	
C. P. Judd,	300.00	
Choate & Bell,	1,050.00	
J. A. Andrew, Bryant, Derby & Holmes, and others,	6,150.00—10,000.00	—18,190.69
<i>Amount forward,</i>		\$298,534.28

<i>Amount forward,</i>	\$298,534.28
LITTLE RIVER BRIDGE, HAVERHILL.	
1855. July.	
T. & J. Doane, Surveys, \$22.01	
Sept. P. Roll. Men. Days.	
15,378 26 515½	659.04
Oct.	
15,576 28 615¾	769.78
255 Doane Surveys	32.97
	<u>802.75</u>
Nov.	
15,918 29 667¼	833.26
Dec.	
16,174 28 626¾	779.54
1856. Jan.	
36 595½	752.50
T. & J. Doane, Surveys,	69.27
	<u>821.77</u>
Feb.	
16,624 30 614¾	802.97
March.	
16,881 27 599¼	786.75
Freight on Stone,	
G. J. R. Road,	63.00
	<u>849.75</u>
April.	
17,194 17 385¼	527.57
T. & J. Doane, Surveys,	106.93
Hauling Stone,	49.50
	<u>684.00</u>
May.	
17,379 T. & J. Doane,	26.10
	<u>6,281.19</u>
Stone Purchased, \$472.00	
HORSE POWER.	
1855.	
June. For the month,	\$936.00
July, " "	946.50
Aug. " "	972.00
Sept. " "	900.00
Oct. " "	972.00
Nov. " "	936.00
Dec. " "	936.00
1856.	
Jan. " "	972.00
Feb. " "	900.00
Mar. " "	936.00
April, " "	936.00
May, " "	19.00
	<u>10,361.50</u>
ON MAILS.	
1855.	
July. To and from P. O.,	\$201.25
Aug. " "	15.00
Sept. " "	57.50
Oct. " "	6.25
Nov. " "	60.00
Dec. " "	6.00
1856.	
Jan. " "	433.75
Feb. " "	37.50
Mar. " "	55.00
April, " "	162.50
May, " "	30.00
	<u>1,064.75</u>
<i>Amount forward,</i>	\$316,241.72

<i>Amount forward,</i>	\$316,241.72
ON RENTS.	
1855.	
July. Papering & painting,	\$1.44
Aug. " "	6.00
Oct. " "	13.57
Nov. " "	5.13
1856.	
May, " "	7.34
	<u>33.48</u>
ON IRON RAILS.	
1855.	
Dec. Labor, re-rolling,	\$1,563.86
1856.	
Jan. " weighing,	19.62
Feb. " re-rolling,	306.20
April. Weighing and re-rolling,	1,314.49
	<u>3,204.17</u>
ENGINEERING AND SURVEYS.	
1855.	
June. T. & J. Doane,	\$134.09
July, " "	11.38
Oct. " "	520.77
Dec. " "	32.00
1856. January.	
S. S. Hartford,	\$3.19
T. & J. Doane, 971.37—	974.56
April, " "	476.55
May, " "	286.73
	<u>2,436.08</u>
Engineering is also in Haverhill Bridge account, 231.18	
Ditto in Charles River Bridge account, 879.77	
	<u>\$1,110.95</u>
Total Eng. and Surv.,	\$3547.03
ON STATIONS, MASS.	
1855.	
June. Paid for Labor,	\$42.43
July, " "	31.68
Aug. " "	64.43
Sept. " "	3.00
Oct. " "	4.90
Nov. " "	150.62
Dec. " "	1.25
1856.	
Jan. " "	421.53
Feb. " "	36.29
Mar. " "	104.05
April, " "	44.38
May, " "	121.08
	<u>1,025.64</u>
ON STATIONS, NEW HAMPSHIRE.	
1855.	
June. Sundry Bills,	\$39.59
Aug. " "	45.93
Sept. " "	13.37
Oct. " "	52.10
Nov. " "	132.86
Dec. " "	48.17
1856.	
Jan. " "	11.15
Feb. " "	404.60
May, " "	54.11
	<u>801.88</u>
<i>Amount forward,</i>	\$323,742.97

<i>Amount forward,</i>		\$323,742.97	<i>Amount forward,</i>		\$325,206.68
REPAIRS, BRIDGES, MASS.			ON PASSENGER DEPARTMENT.		
1855.			1855.		
June, Sundry Bills,	\$	8.50	June, Sundry Bills,	\$	105.21
Aug. " "		2.99	July, " "		30.20
Oct. " "		46.00	Aug. " "		13.97
Nov. " "		33.75	Sept. " "		.67
1856. Jan. " "		5.70	Oct. " "		6.00
March, " "		107.00	Nov. " "		2.00
April, " "		68.50	Dec. " "		8.50
		272.44	1856. Jan. " "		2.82
REPAIRS, BRIDGES, NEW HAMPSHIRE.			Feb. " "		7.35
1855.			March, " "		42.13
June, Sundry Bills,	\$.75	April, " "		72.74
Oct. " "		10.00	May, " "		9.25
1856.					390.84
Feb. " "		143.13	ON WOOD AND WATER.		
May, " "		1.00	1855.		
		154.88	June, Sundry Bills,	\$	16.50
REPAIRS, BRIDGES, MAINE.			July, " "		30.20
1855.			Aug. " "		219.40
Nov. Hauling gravel,		3.00	Sept. " "		24.25
REPAIRS, FENCES, MASS.			Oct. " "		214.25
1855.			Nov. " "		254.98
Aug. H. Cunningham,		8.64	Dec. " "		239.06
REPAIRS, FENCES, NEW HAMPSHIRE.			1856. Jan. " "		106.00
1855.			Feb. " "		117.30
Sept. Sundry Bills,	\$	1.00	March, " "		64.67
Nov. " "		2.50	April, " "		61.68
1856. Jan. " "		48.75	May, " "		74.69
		52.25			1,422.98
REPAIRS, ROAD, MASS.			ON MYSTIC RIVER BRIDGE.		
1855.			1855.		
June, Sundry Bills,	\$	6.24	Oct. For Labor,	\$	3.75
July, " "		1.75	Nov. " "		27.18
Aug. " "		150.86			30.93
Sept. " "		6.88	ON STATIONS IN MAINE.		
Oct. " "		76.58	1855. Nov. Labor,		8.62
Nov. " "		37.50	ON CHARLES RIVER BRIDGE.		
1856. Jan. " "		38.84	1855. June.		
Feb. " "		17.50	T. & J. Doane, Surveys, \$	253.02	
April, " "		23.75	Oct. " " " " \$	273.96	
May, " "		33.75	Bixby & Co., Labor, \$	185.00	
		393.65			
REPAIRS, ROAD, NEW HAMPSHIRE.			Nov. " " " " \$	458.96	
1855.			" " " " \$	348.25	
July, Sundry Bills,	\$	18.75	E. R. Robinson,		
Aug. " "		11.50	Commissioner,	270.00	
Sept. " "		52.50			618.25
Oct. " "		16.00	Dec.		
Nov. " "		.58	E. R. Robinson, Com'r,	120.00	
Dec. " "		53.00	1856. Jan.		
1856.			T. & J. Doane,		
April, " "		1.00	Surveys,	338.12	
May, " "		3.50	E. R. Robinson,	215.00	
		156.83			553.12
ON FREIGHT DEPARTMENT.			Feb. " "		135.00
1855.			Mar. " "		125.00
June, Sundry bills,	\$	13.50	Apr. " "		130.00
July, " "		19.63	May. " "		130.00
Aug. " "		52.73	G. Hall, Surveying,	14.67	
Sept. " "		15.00	E. R. Robinson,	135.00	
Nov. " "		53.74	D. & Lemmon,		
Dec. " "		18.12	Filling up,	429.02	
1856. Jan. " "		112.02			708.69
Feb. " "		47.36			3,102.01
April, " "		64.00			
May, " "		25.92			
		422.02			
<i>Amount forward,</i>		\$325,206.68	<i>Amount forward,</i>		\$330,072.09

<i>Amount forward,</i>	\$330,072.09	GENERAL EXPENSES,— <i>continued.</i>	
CONTRACT with		<i>Amounts forward,</i>	\$1,881.76 \$330,164.41
L. A. Roby,	\$4,683.75	SERVICES ON COMMITTEES.	
B. Eastman,	1,472.08	1855. September.	
W. Pope & Sons,	1,714.23	Sisc, Osborn &	
B. Bixby & Co.,	3,080.50	Sanborn,	\$18.30
W. M. Rogers,	3,738.56	December.	
“ “ “	1,029.32	J. N. Cunningham,	30.00
		1856. January.	
	15,718.44	P. W. Chandler,	15.00
REPAIRS ON CARS.		C. Hopkinson,	200.00
1855. June.			263.30
Portland, Saco, and Portsmouth		MISCELLANEOUS.	
Railroad,	92.32	L. Eames, Extra,	\$50.00
		1855. August.	
GENERAL EXPENSES.		Directors on Ex-	
AUDITING ACCOUNTS.		cursion,	11.00
1855. August.		Superintendents'	
J. S. Eaton,	\$ 75.00	Association,	50.00
September.		September.	
J. L. Coffin,	150.00	Paying off Help,	10.21
1856. April.		October.	
B. S. Sherburn,	56.36	T. S. Williams,	
J. Fran's Kimball,	110.00	Sundries,	23.00
May.		December.	
J. Fran's Kimball,	100.00	Directors at Law-	
	\$491.36	rence,	6.90
COPYING.		1856. January.	
1856. April.		County Commis-	
G. M. Clark,	\$25.00	sioners,	90.00
May.		G. S. Hale, taking	
G. M. Clark,	25.00	Deposition,	7.50
	50.00	G. W. Nott, Ex-	
COMMITTEE OF INVESTI-		perimenting,	210.00
GATION.		Alex. Wadsworth,	5.00
1855. October.		P. W. Sprague, on	
C. P. Judd,	\$170.00	Location,	50.00
C. L. Woodbury,	310.00	February.	
John Flint,	170.00	Recording at Do-	
J. McDuffee,	172.00	ver,	25.00
P. T. Homer,	175.40	May.	
Printing Report,	350.00	Paying off Help,	10.25
	1,347.40	S. W. Dearborn,	
		Report,	33.40—582.26—2,734.32
<i>Amounts forward,</i>	\$1,881.76 \$330,164.41		\$332,898.73

*STATEMENT of the Number of Men, Number of Days, and Cost of
of all the Employees on the Road for the year ending May 31st,
1856, inclusive.*

Occupation.	No. of Men.	No. of Days.	Amount.
Conductors,	238	6,230½	\$ 12,321.25
Engineers and Firemen,	620	15,826	26,732.79
Brakemen,	304	7,568½	9,597.68
Switchmen,	249	6,252½	6,224.85
Gate-men,	175	4,535	3,812.56
Signal-Men,	48	1,126	1,159.69
Watchmen,	218	6,041½	6,117.45
Baggage-Men,	296	7,333½	9,724.41
Station Agents,	541	14,368½	16,830.63
Engine Shop, Boston,	483	11,679½	19,587.99
Car Shop, Lawrence,	624	14,635½	20,922.95
Laborers, Miscellaneous,	246	5,810½	7,725.66
Wood and Water, Boston,	329	8,190	9,122.17
Wood and Water out of Boston,	332	7,886½	8,540.40
Freight, Boston,	1,220	28,248½	36,527.75
Freight out of Boston,	128	2,821	3,249.66
Repairs of Road, (Smith,)	1,080	23,222½	28,560.83
Repairs of Road, (Whittier,)	1,301	29,349	36,028.81
Repairs, Danvers Railroad,	131	2,814	3,292.34
Ice and Snow,	308	1,695½	1,828.44
Bridge at Haverhill,	221	4,619½	5,911.41
Total,	9,092	210,253½	\$273,819.72

Equal to 8,035½ men, 1 month each.

Average per month, \$34.07½.

Average per day, 1.30.

Equal to 671 men every working day in the year.

This includes all persons employed by the Corporation, excepting those in the Offices in Haymarket Square Building, who are given below.

STATEMENT of Amount paid Salaries of President, Treasurer and 2 Clerks, Superintendent and 5 Clerks, for the Year ending May 31st, 1856, inclusive, viz :

President, - - - - -	\$3,636.12
Deduct for amount due to June 1, 1855, - - - - -	136.12
	3,500.00
Treasurer and Clerks, - - - - -	3,500.00
Superintendent and Clerks, - - - - -	5,299.12
	\$12,299.12

RECAPITULATION.

	Men.	Days.	Amount.
Employees, as above, - - - - -	9,092	210,253½	\$273,819.72
President, Treasurer, Sup't, and their Clerks, 10	10	3,130	12,299.12
Total, - - - - -	9,102	213,383½	\$286,118.84

Equal to 8207 men one month, (26 days) each, or

“ “ 681 “ every working day in the year.

Average wages per month, \$35.08.

“ “ “ day, 1.34.

SCHEDULE No. 3.

Comparative Statement of Expense per Ton, of Handling Freight received at and sent from Boston Station, for Six Months, in 1855, and the Six corresponding Months, in 1856.

DATE.	No. Tons.	Amount Pay Roll.	Cost per Ton.	DATE.	No. Tons.	Amount Pay Roll.	Cost per Ton.
1855.			Cents.	1856.			Cents.
Jan.	11,167	2,997.13	26 $\frac{83}{100}$	Jan.	15,675	2,704.77	17.25
Feb.	10,245	2,692.78	26.28	Feb.	15,307	2,584.61	16.88
March,	17,341	3,048.74	17.58	March,	17,753	2,697.31	15.19
April,	16,139	2,919.64	18.09	April,	21,715	2,815.03	12.96
May,	20,301	3,221.15	15.86	May,	22,044	2,847.91	12.91
June,	17,797	3,203.33	18.00	June,	20,771	2,718.55	13.08
	92,990	18,982.77	19.45		113,265	16,368.18	14.43

Total increase of Tonnage, 20,275 Tons over corresponding 6 mos.

Decrease of Cost per Ton, 27 per cent. " " "

" " Total Expense, \$1,714.59 " " "

SCHEDULE No. 4.

Comparative Statement of the Freight Earnings and Tonnage of the Boston and Maine Railroad, for the year ending June 1st, 1855, and June 1st, 1856.

1855.	Total Freight Earnings,	-	-	-	-	\$274,200.64
"	" " Tonnage,	-	-	-	-	243,706 tons.
1856.	Total Freight Earnings,	-	-	-	-	\$328,256.21
"	" " Tonnage,	-	-	-	-	263,827 tons.
Increase of Earnings, 1856, over 1855,		-	-			\$54,055.57
" " Tonnage, " " "		-	-			20,121 tons.
Difference between the increase of Earnings over increase of Tonnage, 1856,		-	-	-	-	\$31,419.57

SCHEDULE No. 5.

STATEMENT of *Danvers Railroad business for the year ending*
June 1, 1856.

	Passengers.	Freight.	Total.
Earnings on the Danvers R. R.	\$9,897.90	\$6,334.31	\$16,232.21
“ to and from “ “	11,820.58	7,273.47	19,094.05
	<u>\$21,718.48</u>	<u>\$13,607.78</u>	<u>\$35,326.26</u>
Paid Eastern R. R. of the above			
from Earnings on the D. R. R.	\$3,106.95	\$1,575.58	\$4,682.53
“ “ to and from “	3,444.50	1,887.78	5,332.28
	<u>\$6,551.45</u>	<u>\$3,463.36</u>	<u>\$10,014.81</u>
Miles run			
On the Danvers Railroad, - - -	-	-	25,471
To and from “ “ (estimate,) - - -	-	-	28,300
			<u>53,771</u>

Cost of operating and maintaining Boston and Maine Railroad, including branches and Danvers Railroad, for this year, is \$1.12½ per mile.

NOTE.—The contract with Danvers Railroad says the expenses shall be reckoned as above.

MEMORANDUM.—*Danvers Railroad in account with Boston and Maine Railroad, Dr.*

To running on your road 25,471 miles, at \$1.12½,	-	\$28,654.87
CR.		
By Passenger Receipts, -	\$9,897.90	
Less paid Eastern Railroad,	<u>3,106.95</u>	\$6,790.95
By Freight Receipts, - -	6,334.31	
Less paid Eastern Railroad,	<u>1,575.58</u>	4,758.73
		<u>11,549.68</u>
		17,105.19
Add Rent one year, - - -	-	<u>7,500.00</u>
Loss to Boston and Maine Railroad, - - -	-	\$24,605.19
if it costs Boston and Maine Railroad as much to operate and maintain your road as it does to operate and maintain the Boston and Maine Railroad and branches, and Danvers Railroad.		

Danvers Railroad in account with Boston and Maine Railroad, Dr.
Running to and from your road 28,300 miles, at \$1.12 $\frac{1}{2}$, \$31,837.50

Cr.

By Passenger Rec'ts to and from,	\$11,820.58		
Less paid Eastern Railroad,	3,444.50		
		\$8,376.08	
By Freight Rec'ts to and from,	7,273.47		
Less paid Eastern Railroad,	1,887.78		
		5,385.69	
			13,761.77
Loss to Boston and Maine Railroad,	-	-	<u>\$18,075.73</u>

Total loss to Boston and Maine Railroad this year is (\$24,605.19 and \$18,075.73 making) \$42,680.92, if it costs \$1.12 $\frac{1}{2}$ per mile to run these trains and maintain the roads.

SCHEDULE No. 6.

Extracts from Directors' Records in respect to Lease to Danvers Railroad, and Loans to Danvers & Georgetown and Newburyport Railroads.

MAY 6, 1853.—At a meeting of the Directors of the Boston and Maine Railroad, held at Boston on Friday, the sixth day of May, in the year eighteen hundred and fifty-three,—

Present, the President (Southworth Shaw) and Messrs. Flint, Hayward, Batchelder, and Kittredge,—

Voted, That it is desirable to make such arrangements with the Danvers Railroad, the Danvers and Georgetown Railroad, and the Newburyport Railroad, as will secure to this Road the traffic to and from those roads, as authorized by the Stockholders' vote of September 8, 1852.

Voted, That the President and Messrs. Hayward and Kittredge be a Committee to confer with those roads, and report what can be effected on the subject.

MAY 26, 1853—Present, the President, (Mr. Shaw,) Hayward, Flint, Batchelder, and Kittredge.

The Committee appointed May 6, 1853, on the subject of arrangements with Danvers Railroad, reported in favor of a rough draft of a lease of that Railroad; and thereupon

Voted, That the President be authorized to take, execute, and deliver such a lease from the Danvers Railroad Company to the Boston and Maine Railroad, of the Danvers Railroad, as he shall see fit.

JUNE 14, 1853.—Present, the President (Mr. Shaw) and Messrs. Hayward, Flint, Batchelder, and Kittredge.

The President reported that he had executed a lease of the Danvers Railroad, under date of May 30, 1853, and produced it; whereupon it was

Voted, That it be ratified and approved.

JANUARY 5, 1854.—Present, the President (Mr. Hayward) and Messrs. Shaw, Kuhn, Walker, Batchelder, Aiken, and Kittredge.

Voted, That the subject of a loan to the Danvers and Georgetown Railroad be referred to the President and Messrs. Batchelder, Kuhn, and Kittredge.

APRIL 29, 1854.—Present, the President (Mr. Hayward) and Messrs. Kuhn, Batchelder, and Aiken.

Voted, That the President be authorized to loan the Danvers and Georgetown Railroad money to pay for their iron, on such security as he shall see fit.

AUGUST 8, 1854.—Present, the President (Mr. Hayward) and Messrs. Kuhn, Batchelder, Kittredge, Aiken, Walker, and Shaw.

On request of Dr. Walker, it was

Voted, That he be allowed to enter his dissent on the record, to the vote of April 29, 1854, respecting a loan to the Danvers and Georgetown Railroad.

NOVEMBER 14, 1854.—Present, the President (Mr. Hayward) and Messrs. Kuhn, Shaw, Kittredge, Topliff, Duncan, and Batchelder.

Voted, That the subject of assisting the Danvers Railroad be referred to the President and Messrs. Kittredge and Duncan.

NOVEMBER 18, 1854.—Present, the President (Mr. Hayward) and Messrs. Kuhn, Batchelder, Shaw, Kittredge, and Duncan.

Mr. Duncan submitted a report from the Committee on the Danvers Railroad, which was accepted.

Voted, That the Committee appointed at the last meeting on the subject of aid to the Danvers Railroad, have authority to give them aid to the amount of thirty thousand dollars, in such form and on such security as they shall think proper.

DECEMBER 12, 1854.—Present, the President (Mr. Hayward) and Messrs. Batchelder, Duncan, Shaw, and Topliff.

Voted, That the subject of further aid to the Danvers Railroad be referred to the Committee appointed upon that subject on the 14th of November, viz. Messrs. Hayward, Kittredge, and Duncan, with authority to make such further advances to that Road as they may think proper.

FEBRUARY 13, 1855.—Present, the President (Mr. Hayward) and Messrs. Kuhn, Shaw, Duncan, Topliff, and Batchelder.

Resolved, That this Road will aid the Danvers Railroad to the extent of the security of the lease, by a guarantee of their bonds, after they have paid their land damages, and complied with the terms of the lease as to finishing the Road, such agreements being made as shall make the transaction safe to (and not extending the liability of) this Road, and provided that, from the proceeds of the said bonds, the Danvers Railroad refund the amounts heretofore advanced to it.

FEBRUARY 27, 1855.—Present, the President (Mr. Hayward) and Messrs. Kuhn, Batchelder, Shaw, and Duncan.

Voted, That the President and Messrs. Batchelder and Duncan be a Committee to report the form and extent to or in which this Road will guarantee the bonds of the Danvers Railroad, according to the vote of the last meeting.

MARCH 9, 1855.—Present, the President (Mr. Hayward) and Messrs. Shaw, Kuhn, Batchelder, and Topliff.

The Committee appointed February 27, 1855, on the subject of aid to the Danvers Railroad made a report in writing; and thereupon it was

Voted, That this Road will guarantee the bonds of the Danvers Railroad to the extent of one hundred and twenty-five thousand dollars, retaining not exceeding five thousand dollars thereof as a sinking fund, and also retaining such other amount as shall secure the repayment of the amounts now advanced, and the fulfilment of all the stipulations of said Road, and the payment of the land damages, and complying with the conditions of the report this day made by the Committee on that subject; and said Committee shall have power to settle said amounts of said bonds to be retained, and the form of all agreements to be made by the parties.

MARCH 20, 1855.—Present, the President (Mr. Hayward) and Messrs. Kuhn, Shaw, Kittredge, Duncan, Batchelder, and Topliff.

Voted, That the report made at the last meeting by the Committee on the subject of aid to the Danvers Railroad be accepted, and that the amount to be retained as a sinking fund be five thousand dollars.

SEPTEMBER 7, 1855.—Present, the President (Mr. Hayward) and Messrs. Kuhn, Topliff, Kittredge, and Duncan.

Voted, That the Committee on the Danvers Railroad be authorized to take their guaranteed obligations in payment, at such rates as they shall choose.

SEPTEMBER 19, 1855.—Present, the whole Board.

Voted, That Messrs. Kuhn, Duncan, and the Clerk, be a Committee on the subject of the debt of the Newburyport Railroad to this Road, with power.

Voted, That the President be authorized to execute and deliver an instrument agreeing not to sue Dr. Cogswell, as surety of the Newburyport Railroad, in consideration of the ten thousand dollars paid by him.

SCHEDULE No. 7.

Items of Interest carried into Available Assets by Directors' Report.

Interest on Great Falls and Conw. R. R. Notes,		to June 1, 1856,	\$3,262.63
"	" Coheco R. R. Note,	" " " "	195.47
"	" Notes signed by		
	James W. Emery and others,	" " " "	211.14
"	" Newburyport R. R. Notes,	" " " "	3,111.45
"	" E. Lamb & Bro.'s Note,	" " " "	27.62
"	" George & Co.'s Notes,	" " " "	7.50
			<hr/>
			\$6,815.81
Interest on Danvers R. R. Land Account,		" " " "	297.50
			<hr/>
			\$7,113.31
Deduct Interest due on State Loan, from April 1, 1856,			
	to June 1, 1856, (\$50,000 at 5 per cent.)	- -	416.67
			<hr/>
			\$6,696.64

(The Interest on the \$100,000 State Loan was due and paid, and charged to Interest Account, June 1.)

SCHEDULE No. 8.

Assets of Boston & Maine Railroad available for payment of debts of the Corporation, May 31, 1856.

Cash,	-	-	-	-	-	\$23,997.91
Notes Receivable as follows:						
Viz: 2 Notes, Jas. W. Emery and others,	\$10,105.33					
“ 1 “ of Edward Lamb and Bro.	681.85					
“ 4 “ of George & Co.,	-	-	-	500.00		
						<u>\$11,287.18</u>
500 Shares B. & M. R R., \$78.00 per share,	-	-	39,000.00			
Line via Lowell due on Quintuple contract,	-	-	6,165.77			
Auditor, Post Office, and Rent Bills,	-	-	1,959.70			
Manch'r & Lawrence R.R., for use Methuen Branch, &c.,	11,704.72					
Pertsmouth & Concord Railroad balance of monthly acct.,	334.49					
Salem & Lowell “ “ “ “	796.30					
Lowell & Lawrence, 6 months' use of Track,	-	-	1,231.31			
Balance of sundry monthly bills unsettled,	-	-	142.95			
Freight bills against Manufacturing Co.'s, payable monthly,	8,169.85					
Do. do. for freight not delivered, and for freight payable monthly, and balances due on ticket accounts,	-	-	-	\$21,632.15		
Less for amount considered by Treasurer not collectable,	-	-	-	-	2,000.00	
						<u>\$19,632.15</u>
						<u>\$124,422.33</u>

In addition to the above the Corporation hold the Bonds of the Danvers Railroad, which they purchased at par, for - - - - \$58,500.00

Also hold as collateral, Danvers Railroad Bonds at 85 per cent., to secure - - - - 9,545.07
\$68,045.07

This sum, although not available to meet present liabilities, is available as a set-off against the liability of the Corporation's endorsement of the Danvers Railroad Bonds.

Total amount,	-	-	-	-	-	<u><u>\$192,467.40</u></u>
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The Corporation has the right to issue 230 shares of Stock, when the same can be sold at par.

SCHEDULE No. 9.

Claims, &c., classed in Directors' Report among Assets available to pay Debts, but which are either entirely worthless, or disputed, or for other reasons of doubtful value.

Notes Receivable as follows :

7 notes Great Falls & Conway R. R.	-	\$16,155.94	
1 " Newburyport R. R.	-	10,392.85	
1 " " " fourth mortgage,	5,456.50		
1 " " " - - -	44,696.20		
1 " Cocheco " - - -	4,477.40		
			\$81,178.89
White Mountain R. R. Bonds,	- - - -		1,100.00
Newburyport " " - - - -			15,210.00
Accounts in Solicitor's hands for collection,	- -		3,783.90
Interest due on notes and accounts,	- - - -		6,696.64
Concord R. R., demand for cost of accident in suit,	-		6,223.45
Lawrence & Bishop, demand on Medford Branch, acc't			8,991.58
Rhodes, Oliver & Rugg, defaulting station agents	-		2,642.98
Great Falls & Conway R. R., demand for changing location,	- - - - -		5,995.38
Manchester & Lawrence R. R., for balance of monthly account,	- - - - -		3,806.52
Cocheco R. R.	" "		4,325.96
Great Falls & Conway R. R.	" "		3,069.15
Newburyport R. R.	" "		6,753.04
Northern R. R.	" "		327.15
			<u>\$150,104.64</u>

SCHEDULE No. 10.

Assets unavailable to pay Debts, the same being necessary in the running of the Road.

Steamer Daniel Webster,	- - - - -	\$ 7,500.00
Wood,	- - - - -	72,297.25
Oil,	- - - - -	240.00
Waste,	- - - - -	60.00
		<u>\$80,997.25</u>
<i>Amount carried forward,</i>		

<i>Amount brought forward,</i>		\$80,097.25
Stock in Car Shop at Lawrence, - - - -		13,895.47
“ Engine “ Boston, - - - -		11,640.34
Iron Rails, - - - -		571.00
Ties, - - - -		5,600.00
Lanterns, brushes, &c. &c. - - - -		100.00
		<hr/>
		\$111,904.06
		<hr/>

SCHEDULE No. 11.

*Liabilities of Boston & Maine Railroad, May 31st, 1856, including
Dividend payable July 1st, 1856.*

Unpaid Dividends, No. 1 to No. 35, - - - -	\$4,428.50
Interest unpaid on Stock Assessments, &c., - - -	28.10
Dividend No. 36, payable July 1st, 1856, - - -	123,171.00
Unpaid Lawyers' and other bills, estimated in part, -	10,000.00
Tax Bills, estimated, - - - -	5,337.33
Salaries and Wages, - - - -	964.15
Danvers Railroad Rent account, (unpaid coupons), -	1,987.50
Eastern Railroad balance division account, &c., - -	10,492.75
Boston, Concord & Montreal Railroad, monthly account,	3,497.28
Concord “ “ “	83.48
Contoocook Valley “ “ “	495.94
Conn. & Passumpsic River “ “ “	370.74
Portland Saco & Portsmouth “ “ “	5,907.02
New Hampshire Central “ “ “	230.73
Vermont Central “ “ “	9,885.21
Concord & Claremont “ “ “	858.31
Appropriation to widen the bridge between the draw and the island in Boston, as per vote of Directors, April 26th, 1856, for which contracts have been made,	21,000.00
	<hr/>
	\$198,738.04
State Loan due August, 1857, - - - \$100,000.00	
Do. do. do. do. 1859, - - - 50,000.00	
	<hr/>
	\$150,000.00
Eben Smith for land, - - - - \$40,000.00	
Bartlett and Minot, - - - - 20,000.00	
	<hr/>
	\$60,000.00
	<hr/>
<i>Amount carried forward,</i>	\$408,738.04



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